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U.S. Fish & Wildlife Service

Shared Commitments To Conservation

1998 Annual Report of the U. S. Fish and Wildlife Service

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The United States Fish and Wildlife Service

History and Mission

As an asset of tremendous environmental, recreational, and economic importance, this nation's fish and wildlife resources represent a vital part of our natural heritage -- one that is facing increasing pressures every day. For this reason, the mission of the U.S. Fish and Wildlife Service (Service) grows more complex and critical every day. As the Service continues to look for new and better ways to conserve, protect, and enhance fish and wildlife and their habitat, its major responsibilities remain focused on migratory birds, endangered species, certain marine mammals, and freshwater and anadromous fish.

History of the Service

The Service's origins date back to 1871 when Congress established the U.S. Fish Commission to study the decrease in the nation's food fish and recommend ways to reverse the decline. Placed under the Department of Commerce in 1903, it was renamed the Bureau of Fisheries. Meanwhile Congress created an Office of Economic Ornithology in the Department of Agriculture in 1885 to study the food habits and migratory patterns of birds, especially those that had an effect on agriculture. After several more name changes, this office was renamed the Bureau of Biological Survey in 1905.

The Bureaus of Fisheries and Biological Survey were transferred to the Department of the Interior in 1939 and in 1940 were combined and named the Fish and Wildlife Service. Further reorganization came in 1956 when the Fish and Wildlife Act created the United States Fish and Wildlife Service and established within the agency two separate bureaus -- Commercial Fisheries and Sport Fisheries and Wildlife.

The Bureau of Commercial Fisheries was transferred to the Department of Commerce in 1970 and is now known as the National Marine Fisheries Service. The Bureau of Sport Fisheries and Wildlife remained in Interior. In 1974, the "Bureau" name was dropped and the agency is now simply called the U.S. Fish and Wildlife Service. In 1993, the Service's research activities were transferred to the U.S. Geological Survey.

Today, Service employees number approximately 7,500 individuals located close to fish and wildlife resources throughout the country. Offices and facilities are located in Washington, D.C., seven regional offices, and in nearly 700 field units, including over 500 national wildlife refuges and 67 national fish hatcheries.

Mission of the Service

> "The Service's mission is, working with others, to conserve, protect and enhance fish, wildlife and plants and their habitats for the continuing benefit of the American people."

Since before recorded history, fish and wildlife resources in the United States have been an integral part of human life. We know that the earliest Americans depended on fish and wildlife for both life sustenance and spiritual nourishment. The kinship of aboriginal Americans to these resources is seen today in their religious and cultural activities. The sea turtle is viewed as the symbol of eternal life with the great creator. Salmon and other anadromous fishes were and still are celebrated as symbols of the renewal of life. Wildlife served as the spiritual connection with ones ancestors and the creator of all life.

When settlers came to America, they found a land teeming with wildlife. Like Native Americans, they depended on the land's rich wildlife heritage for food and clothing. Colonies were located near rivers for commerce and travel and for a rich supply of fish and wildlife for food. The new settlers fully intended that freedom to hunt for food and to secure water for life would be the right of all, regardless of heritage or status. The framers of our Constitution recognized this and placed great emphasis on natural rights and natural laws. Because of the American ideal to respect fish and wildlife as a resource available for the use and enjoyment of all, it is revered as a public trust resource -- a resource deserving the public's attention and participatory guidance. The United States continues to refine the body of case law and statutes governing the stewardship of fish and wildlife resources.

Communities and people throughout the United States have a strong commitment to the fish and wildlife resources today. Many communities realize tremendous economic benefits from tourism and visitors that come specifically to enjoy watching and pursuing fish and wildlife. Hunting and fishing remain strong components of community culture all along the great river systems of the nation. Americans value and respect their natural resource heritage

The U.S. Fish and Wildlife Service has the privilege of being the primary agency responsible for the protection, conservation, and renewal of these resources for this and future generations. We accept this responsibility and challenge with optimism and resolve to pass along to future generations of stewards a fish and wildlife resource heritage that is as strong or stronger than when it was entrusted to us.

Message from the Director

One of my top priorities as Director is to improve the way the U.S. Fish and Wildlife Service communicates and works with our public and our partners. It is important that we provide a clear picture of the needs of fish and wildlife resources and the consequences of human intervention - both favorable and unfavorable. I am firmly convinced that an informed and engaged public is one of our best assets in meeting the challenges of the next century. The Service, as the Federal agency with the primary mission to provide expert leadership for fish and wildlife conservation, will reach out to all Americans to help them conserve and enjoy the outdoors. We are creating new opportunities for Americans to share their commitment to conservation through formal and informal partnerships. These partnerships allow the pooling of resources so that each dollar expended will do more for fish and wildlife and the public's use of those resources. In this report, the Service highlights partnerships that have enhanced fish and wildlife resources and their management through innovative cooperation. The SPITS collaboration is one such example that produced a client-oriented electronic permit and species information system that streamlines work, provides better service to the public, and allows nationwide data sharing among fish and wildlife managers.

New cooperative opportunities and partnerships that protect fish and wildlife rely on good information and extended outreach. Good communication builds understanding and helps all of us make informed decisions about the future of fish and wildlife resources. It ensures that the Service builds relationships with partners and decision makers; provides timely, accurate information to concerned citizens; and, provides clear messages about how fish and wildlife conservation affects the quality of life for all Americans.

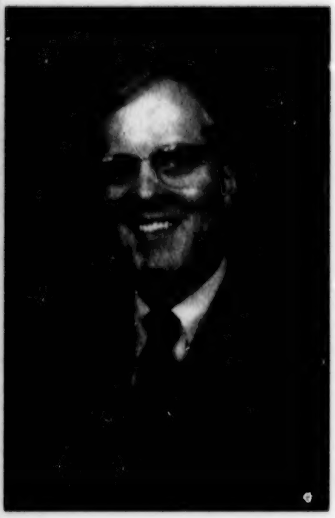
This Annual Report for Fiscal Year 1998 is part of our outreach and communication effort. It provides a road map of the Service's future direction, an overview of the Service's diverse programs and accomplishments, and an accounting for the funds used by the Service. We expanded the Stewardship and Program Highlights to provide more information on the role of the Service in maintaining healthy environments that fish and wildlife need and how we protect the natural resources in America's conservation units. We added a section that addresses the Service's actual performance for this fiscal year. Performance targets in all aspects of the work of the Service are compared to our actual performance. The Statement of Net Cost in our financial statements provides information on the costs of attaining the performance at the Service's program goal level.

We hope that this report will help you better understand what we do, how much fish and wildlife and plants depend on our shared commitments to conservation, the costs of our efforts, and how much more we can accomplish by working together.

Jamie Rappaport Clark

Jamie Rappaport Clark

Message from the Chief Financial Officer



In reading through the various sections of this Annual Report, you will find a substantial amount of information about the U.S. Fish and Wildlife Service. We have included a number of *success stories* describing our efforts to conserve fish and wildlife both nationally and internationally. While these accomplishments are interesting by their very nature, I also want to draw your attention to the less glamorous portions of this report. The sections I am referring to describe our managerial activities, state our financial position and provide condition assessments for different types of assets. These sections are very important to those of us entrusted with managing the Service's resources because they acknowledge our continued success in effectively managing the public assets under our stewardship.

One of the best examples that illustrates how seriously we take our stewardship responsibilities is our concern with maintaining the infrastructure on our National Wildlife Refuges and National Fish Hatcheries. In 1998, the Service joined the other bureaus in the Department of the Interior in developing a more aggressive approach to managing its maintenance programs for infrastructure. For the Service, this new approach focused on enhanced planning, prioritization, and scrutiny of maintenance projects. The Service adopted uniform prioritization criteria and organized its maintenance budget requests to target critical public health and safety projects. To increase our accountability in this area, we also began working diligently to implement new federal accounting standards that require us to disclose all deferred maintenance in our financial statements.

The Service pushed ahead on a number of other accountability issues in 1998. In the area of performance measurement, the Service finalized its Strategic and Annual Performance Plans as called for by the Government Performance and Results Act. These plans define the operational and programmatic goals that the Service intends to achieve over a 5 year period. We provide the first progress report on how we are doing in the performance accountability section of this report. The Service also moved forward towards full compliance with federal accountability standards for reporting on real and personal property assets, providing condition assessments for our public lands and heritage assets, and estimating our environmental contaminant liabilities.

As the Chief Financial Officer, I am proud of the Service's success in managing assets and improving accountability. As we increasingly seek to leverage our resources through partnerships, it becomes increasingly important to communicate that the Service is a well managed and credible organization. These attributes foster trust among partners and in turn create new opportunities.

John G. Rogers

John G. Rogers

IV

USFWS/Baylen Ratburn

Table of Contents

I. The United States Fish and Wildlife Service

History and Mission i
Message from the Director ii
Message from the Chief Financial Officer iii

II. Program Highlights

Conserving Fish and Wildlife Across the Nation 1
- Species Conservation 1
- Habitat Conservation 3
- National Wildlife Refuge System 7
- National Fish Hatchery System 12
- Wildlife and People 15

Conserving Fish and Wildlife Throughout the World 18
- International Conservation 18
- North American Conservation 22

III. Performance Accountability

Performance Results and Product Delivery 25
Mission Goal #1. Sustainability of Fish and Wildlife Populations 26
Mission Goal #2. Habitat Conservation: A Network of Lands and Waters. 28
Mission Goal #3. Public Use and Enjoyment 29

IV. Stewardship

Stewardship Lands 33
- Stewardship Lands and Facilities and Their Locations 33
- Uses of Stewardship Lands 35
- Revenue from Stewardship Assets 36
- Net Change in Stewardship Land Acreage 37
- Condition of Stewardship Lands 38

Heritage Assets 39
- Condition of Heritage Asset Facilities 40
- Cultural Resources 40
- Museum Collections 42
- Special Designations 43

V. Financial Statements

Overview of Financial Results of Service Operations 47
Principal Financial Statements 50
Notes to Principal Financial Statements 56
Independent Auditor's Report 66

VI. Supplemental Information

Regional Offices Addresses 73
Maps 74
Tables from Specific Programs 76

USFWS/Craig Koppie

Program Highlights

Shared Commitments to Conservation

Meeting the challenges of providing and protecting a healthy environment for fish and wildlife and for people is central to the programs of the U.S. Fish and Wildlife Service (Service) and is based in tradition since its predecessor agencies were established more than a century ago. Meeting these challenges require the cooperation and support of other Federal agencies, State and local governments, conservation groups, and local communities. Dedicated Americans, combined with our dedicated International partners, are sharing a common commitment to conservation and are working hand-in-hand with the Service to ensure that our Nation's irreplaceable natural heritage and the world's fish and wildlife resources are protected for the enjoyment of this and future generations.

In many portions of this narrative, there are references to the work of the Service and how it contributes directly to the accomplishment of the Service's mission and strategic goals identified in its newly revised 5-Year Strategic Plan. Please refer to the new section in this report entitled, "Performance Accountability," for more detailed information on the Service's long-term and annual performance targets.

Conserving Fish and Wildlife Across the Nation

Species Conservation

Many of our Nation's native fish populations are declining or are at historic low levels due to habitat degradation, inadequate fish passage, over fishing, introductions of nonindigenous species, poor land management practices, or urbanization. In partnership with other Federal, State, tribal governments, and a variety of private interests, the Service is contributing to the restoration, enhancement, and protection of nationally significant fishery resources and aquatic ecosystems. Within partnerships, the Service provides management expertise on issues affecting the Great Lakes and inland (non-anadromous) fisheries and related wildlife management issues.

Service biologists provide scientific expertise to tribes, to other federal agencies, to States, and to foreign governments in the development, implementation, and modification of fish and wildlife management plans. The Service monitors and evaluates fishery resources, including hatchery products, and where appropriate, recommends or implements management alternatives to enhance these fishery resources.

Recent legislative and executive directives focus Service expertise on specific fishery related problems and issues. In 1995, President Clinton emphasized the Administration's commitment to recreational fisheries by signing Executive Order 12962, Recreational Fisheries. The Order directs Federal agencies to improve the quality of streams, rivers, and lakes for increased recreational fishing opportunities through partnerships between government and non-governmental interests. Work is accomplished through a strategic planning process, which cooperatively develops specific goals and measures that are aligned with the Executive Order and consistent with fishery interests nationwide. Plans from this cooperative process will result in on-the-ground conservation actions that will benefit aquatic species across the Nation.

Also, the Service works with external partners to protect or restore fishery resources. These partnerships ensure a unified approach in conserving aquatic environments for the continuing benefit of recreational, commercial, and subsistence interests. In a broader context, these cooperative management efforts benefit aquatic and terrestrial species that depend on healthy aquatic ecosystems. The result is a greater commitment to conservation through internal teamwork and external partnerships. The following highlights of FY 1998 illustrate how a common commitment can result in uncommon success stories:

(1) Whirling Disease - In FY 1998, with broad support from Congress, OMB, several States, conservation organizations

Salmon Eggs USFWS/Hollingsworth

Egg and fry stocking methods are proving to be successful approaches to restoring fisheries in selected ecosystems.

and the aquaculture industry, the Service combated whirling disease and other diseases that afflict fishes and other aquatic species. Using $1.8 million in appropriations available in FY 1998, the Service increased its understanding of controlling fish disease by: 1) investigating the whirling disease parasite, the mechanisms by which it is dispersed and affects trout species, allowing the Service to identify methods that disrupt those mechanisms in the interest of containing, controlling and eliminating the disease; 2) expanding the National Wild Fish Health Survey to gather important new information about the prevalence of the whirling disease pathogen and other pathogens in our Nation's waterways; and 3) developing the National Wild Fish Health Database to examine relationships between fish pathogens and diseases and various water quality and habitat features.

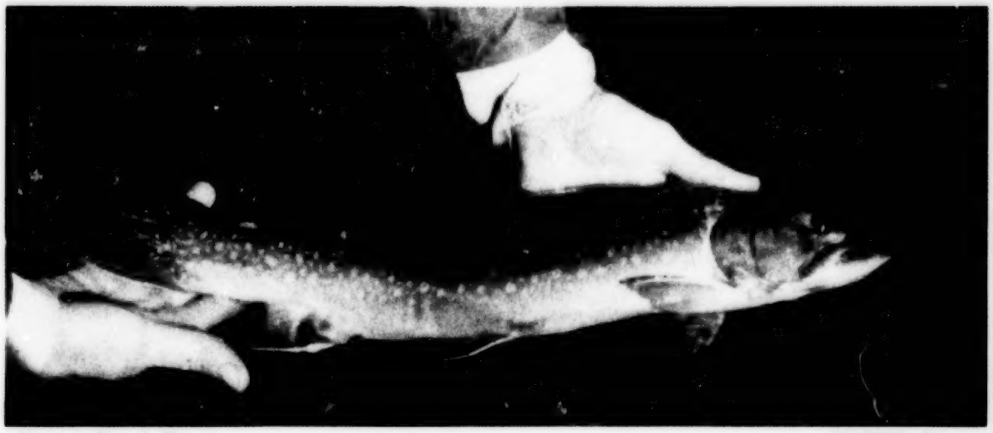
The Service, in partnership with the U.S. Geological Survey, States, conservation organizations, and universities, facilitates broad interest in conservation actions that combat whirling disease and other fish diseases. These partnerships have produced significant results, a few of which are highlighted below:

- More than 10,000 fish, sampled over the past 2 years as part of the National Wild Fish Health Survey, are providing critical information about the distribution of dangerous pathogens in wild fish across the country. Armed with this information, fishery managers assess the risks to valuable stocks of fish and develop alternative management strategies to ensure their protection.

- To further assist fishery scientists and managers throughout the Nation, the Service enhanced its National Wild Fish Health Database by adding analytical and statistical capabilities that identify relationships among fish diseases and correlations between diseases and water quality and habitat factors.

- The Service encourages the finding of cost-effective diagnostic tools to identify whirling disease in both afflicted fish and the parasite's alternate host, the tubificid worm. Results of work funded by the Service and conducted by exceptional scientists at three top laboratories (University of California at Davis, California; Northwest Science Center, Seattle, Washington; and Leetown Science Center, West Virginia) are recognized nationally and internationally. Major breakthroughs in developing DNA-based diagnostic tools for fish and worm host, have greatly facilitated detection of the whirling disease parasite.

- Other technical and research questions surrounding whirling disease are addressed through the National Partnership on the Management of Wild and Native Cold Water Fisheries, supported by $700,000 in funds appropriated to the Service. More than 20 projects, funded by the Partnership over the past two years, have greatly improved the scientific community's understanding of whirling disease.



Coaster Brook Trout USFWS Photo

(2) Coaster Brook Trout Restoration - Once prized by anglers for its size, beauty and food qualities, coaster brook trout are no longer found throughout much of their original range in Lake Superior. Several factors have hastened the decline of "coasters" including over fishing, loss of suitable spawning habitat, and competition from exotic salmonids. Earlier attempts to stock Lake Superior with fingerling and yearling coasters were met with limited success, as evidenced by very low returns and the inability of stocked fish to naturally reproduce. The Service, in cooperation with the Province of Ontario, the National Park Service, and the Grand Portage Indian Reservation, reintroduced

coasters to historic spawning sites with the hopes of creating a viable, self-sustaining stock once again. By performing stocking activities that used new technologies and stocked at the early stage of the coaster's life cycle, fish could sufficiently acclimate to their new environment and naturally reproduce in an uncontrolled aquatic system.

Stripping eggs from Atlantic Salmon USFWS/Luther Goldman

In FY 1998 and after 50 years of absence on the reservation and many unsuccessful stocking attempts, the "egg and fry" stocking method proved to be a successful approach to fishery restoration. The work of the Service in restoring native populations of coaster brook trout in the Great Lakes ecosystem is helping the Service accomplish its goals identified in Strategic Goals 1.2, 1.3, and 1.5 under the Service's Mission Goal 1, which addresses species conservation. The Service will turn to other historic spawning sites to monitor for remnant populations and initiate the innovative approach used on the Grand Portage Reservation for other Lake Superior sites.

In addition to a focus on fisheries resources, the Service also emphasizes proactive species conservation for many species of fish, wildlife and plants through the Candidate Conservation Program. This program takes a collaborative approach with States and Territories, other Federal agencies, and the private sector to identify species that need conservation and then, cooperatively plan and take actions to conserve those species. Landowners in both the public and private sectors are encouraged to help conserve candidate species by entering into voluntary candidate conservation agreements. In FY 1998, the Service implemented 60 of these conservation agreements which benefitted more than 200 species and also precluded the need to list eight species. The Atlantic salmon in Maine is another species for which focused candidate conservation efforts by Federal and State agencies successfully reduced threats to the species and removed the need to list.

Also through conservation partnerships with State and federal agencies, industry, and private partners, 1998 proved to be a historic year for developing migratory bird conservation plans. Science-based strategies for ensuring the viability of more than 700 species of migratory birds were initiated through planning efforts such as Partners in Flight's regional conservation plans, Western Hemisphere Shorebird Reserve Network's National Conservation Plan, and the Colonial Waterbird Plan. These proactive efforts will provide the "road map" for future migratory bird management activities.

Habitat Conservation

Accomplishments in species conservation are intertwined with and, in many cases, dependent on the achievements and benefits associated with habitat conservation. Because fish and wildlife are mobile, habitat loss, degradation, and fragmentation are key factors affecting fish and wildlife populations. In this subsection, the Service highlights its efforts to protect, restore and manage priority habitats in sufficient quality and quantity for the benefit of fish and wildlife species and the healthy ecosystems upon which they depend for survival.

To provide incentives for non-Federal landowners to implement conservation measures for non-listed species, the Service and the National Marine Fisheries Service (NMFS) developed a proposed Candidate Conservation Agreements with Assurances policy. Candidate Conservation Agreements with Assurances pertain to existing and potential candidate and proposed species.

Endangered Species Conservation News

USFWS Photo

In order to ensure the coexistence of the agricultural community and the endangered Northern Aplomado falcon, the Service is working in partnership with private landowners in Texas who have entered into Safe Harbor agreements covering more than one million acres.

USFWS Photo

The Service proposed the delisting of the American Peregrine falcon on August 26, 1998.

Endangered Species Conservation News

USFWS Photo

The proposed rule to list the San Xavier talussnail, a species found in an area about 15 by 30 meters of limestone talus on a hill near Tucson, Arizona, was withdrawn due primarily to protection through a conservation agreement signed between the Service, El Paso Natural Gas Company, Arizona Electric Power Cooperative, and the Arizona Game and Fish Department.

The Service and the U.S. Forest Service worked together to develop a conservation assessment and strategy that addresses management concerns for the Goodding's onion that removes the need to list this species under the Endangered Species Act.

USFWS Photo

With this policy, the Service and NMFS are creating incentives for non-Federal landowners to implement conservation measures for certain declining species by providing regulatory certainty with regard to possible future land, water, or resource use restrictions which might otherwise apply should the species later become listed as threatened or endangered under the Endangered Species Act (ESA).

An incentive for private landowners to voluntarily manage their lands for the benefit of listed species, is through the proposed "Safe Harbor" policy developed by the Service. With this policy, landowners can implement conservation measures without the fear of additional regulatory restrictions under the ESA. Safe Harbor agreements provide conservation benefits to listed species in the form of reduced habitat fragmentation and increased population numbers, which in turn furthers the recovery prospects of these covered species, while providing new areas for wildlife managers to field test innovative management techniques.

These agreements historically average about 1,000 acres and range in size from 2.5 to 1 million acres, making these agreements attractive to both small landowners and corporate interests. In addition, many States are working with the Service to establish Statewide Safe Harbor agreements. In FY 1998, 12 new Safe Harbor agreements were finalized bringing the total to 37, covering more than 1.2 million acres of privately owned land, which serve as valuable habitat for listed and declining species. Examples of Safe Harbor agreements completed in FY 1998 include the Atwaters prairie chicken in Texas, the endangered Hawaiian stilt in Hawaii, the endangered Oregon silverspot butterfly in Oregon, and the red-cockaded woodpecker in Eastern Texas.

Furthermore, the Service continues to work in partnership with local governments and private landowners to develop Habitat Conservation Plans (HCP) that allow the development of private land while protecting threatened and endangered species and their habitats. The development of an HCP provides a bridge for partnering with industry, States, communities, and individuals to balance the need for economic growth with the need to protect habitats for vulnerable species. In 1998, the Service used its guidelines and procedures under the ESA and National Environmental Policy Act to make the implementation of these two environmental laws more efficient and effective in meeting the conservation needs of the Nation's trust resources. This included the implementation of a "no surprises" rule to assure landowners that there would be no additional ESA requirements on their land. The Service also instituted an accelerated approval process for private, small-scale development projects that fit a "low effects" category. The Service has issued 243 HCP permits covering hundreds of species and more than 6 million acres of land, which includes land that will be preserved as habitat and land that will be actively managed or developed.

The purchase of land is often required at the local level for habitat protection within and adjacent to HCP areas. In 1998, the Service allocated $6 million to provide grants to States for land acquisition required to implement habitat conservation measures as part of approved HCPs. Land acquisition grants in 1998 include:

- Washington County HCP (Utah): This HCP covers 34 listed and candidate species, including the desert tortoise, peregrine falcon and bald eagle.

- San Diego Multi-Species Conservation Plan (California): This HCP will conserve habitat for 85 rare plants and animals, including the threatened coastal California gnatcatcher, and 22 other species on the Federal endangered species list.

- Balcones Cayonlands Conservation Plan (Texas): This regional HCP encompasses more than 111,000 acres that benefit local development needs while protecting 35 listed and candidate species such as the golden-cheeked warbler, the black-capped vireo, and several cave invertebrates.

- Sandhills Safe Harbor HCP (North Carolina): This HCP was developed to facilitate habitat enhancement on private lands for species, such as the endangered red-cockaded woodpecker, while maintaining land use flexibility.

The Service provides expert ecological consultation and advice to Federal agencies, States, Tribes, private industry, and the public to protect important fish and wildlife habitats. Using the authorities under the Fish and Wildlife Coordination Act, the Federal Power Act, the National Environmental Policy Act, and other statutes, the Service works closely with government agencies and private entities to protect wetlands and other sensitive

Habitat Restoration on a National Scale

The Partners for Fish and Wildlife Program and the Coastal Program are innovative and proactive partnerships that protect fish and wildlife and restore degraded habitats. The Partners for Fish and Wildlife Program provides financial and technical assistance to private property owners to help them restore degraded wildlife habitat on their property. The Coastal Program is a cooperative effort among other Federal agencies, State and local governments, land trusts, and private partners to protect and restore habitats on both private and public lands. Examples of how these Service programs worked in partnership with others to share the commitment to conservation can be seen in a quick tour of projects around the nation.

Native planting and trail, Sasal Creek USFWS Photo

On the west coast, the Coastal Program worked with the Aquatic Outreach Institute and other partners in the San Francisco Bay area to clear exotic vegetation and cultivate and plant native species in Sausal Creek. The project's use of hundreds of volunteers makes it an excellent demonstration of watershed care. Another example can be seen in Hawaiian forest restoration taking place through the Partners for Fish and Wildlife Program. Numerous projects, like the Kahikinui Forest Restoration Project, are being completed with private landowners on more than one island to remove exotic plants and animals, build fences, and plant native species. These projects benefit many endangered plant and animal species which call these forests home.

Both restoration programs are also quite active in the southwest. The Coastal Program worked with many partners to initiate the San Jacinto Marsh Restoration project to restore 200 acres of tidal marsh along the Texas Coast. Not only does this project restore vital fish and wildlife habitat, but also it recreates the historical landscape important to the Park's half million visitors each year. In Austin, the Partners for Fish and Wildlife Program initiated restoration of 1,650 acres of coastal tall grass prairie habitat and over 3 miles of riparian habitat on Elick Ranch along the San Bernard River. Adjacent to the Attwater National Wildlife Refuge, this restoration will benefit bald eagles and the endangered Attwater prairie chicken.

Clinch River - Before USFWS Photo

In the southeast, the Southern Appalachian Ecosystem Initiative is restoring mountain bogs and riparian habitat along major river systems. Through 15 partnerships with more than 40 landowners, the Partners for Fish and Wildlife Program helped restore southern Appalachian habitats for over 45 listed species and species of concern including aquatic mussels, fish, and protected plants.

Clinch River - After USFWS Photo

In South Carolina, the Coastal Program was an integral part of the Winyah Bay Focus Area Task Force. This coalition of public and private partners was the leading force in establishing the 49,800-acre Waccamaw National Wildlife Refuge on the State's upper coast.

Bottomland hardwood - Waccamaw NWR USFWS Photo

Lower Kennebec Marsh USFWS Photo

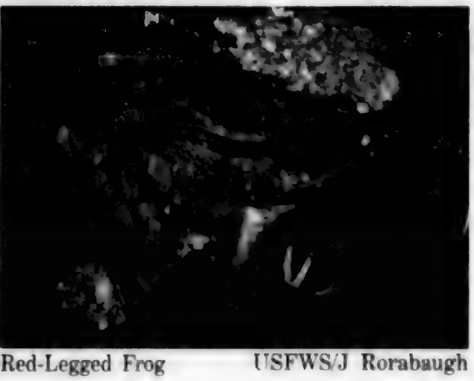
Turning to the northeast, the Coastal Program continued to take part in cooperative efforts to protect and restore high priority tidal marsh and mudflat habitat in Merrymeeting Bay and the Lower Kennebec River in the Gulf of Maine. In 1998, the Merrymeeting Bay/Lower Kennebec River Partnership added 221 acres to the 2,300 acres already protected that offer important feeding and resting habitat for thousands of migratory waterfowl, shorebirds and wading birds.

In the Great Lakes region, the Partners for Fish and Wildlife Program worked with the Iowa Department of Natural Resources, Pheasants Forever, and nearly 100 private landowners to help put prairie back on the landscape. Tall grass prairie is possibly the most disturbed and fragmented ecosystem on the continent with over 99% having been lost in Iowa. Using farming equipment originally designed to harvest rice, these partners collected thousands of pounds of tall grass prairie seed and made it available to private landowners interested in restoring prairie.

Eastern Prairie Fringed Orchid USFWS Photo

Moving westward, the Partners for Fish and Wildlife Program was active in the restoration efforts of the Nebraska Sandhills Task Force, a group of 15 ranchers and agencies concerned with sustaining a healthy grassland ecosystem in the Sandhills of Nebraska. Areas such as Jumbo and Pullman Valley Fens, together comprising 900 acres of wetlands, are being restored by re-establishing wetland hydrology, managing native plants, and controlling exotic species.

Desert Tortoise USFWS/J Rorabaugh



Red-Legged Frog USFWS/J Rorabaugh

Partnerships protect and restore habitats that support species diversity and healthy ecosystems.

USFWS/Elise Smith

habitats by ensuring that projects are designed to minimize or avoid impacts.

In many river basins, restoration of important ecological components, such as riverine and migratory fish stocks, cannot succeed without addressing the impacts of hydropower projects licensed by the Federal Energy Regulatory Commission. Such projects can reduce instream flows and water quality, prevent fish migration, and kill fish that pass through dam power generation. In FY 1998, an agreement was reached among the various parties involved in the re-licensing effort for the Central Nebraska Public Power and Irrigation's Kingsley Hydropower Project and Sutherland Project on the Platte River in central Nebraska. The Service worked to achieve an alternative means of operation which allowed power generation and irrigation while protecting the habitat of several endangered species in the Platte River watershed. The license will make major contributions toward Service Mission Goals 1 and 2 and will protect and restore habitat for endangered species and other fish and wildlife. It will ensure adequate base flows in the Platte River and establish flow release schedules from Lake McNaughty, while developing 4,200 acres of fish and wildlife habitat along the Platte River. The agreement will also provide assurances to the public regarding the availability of electricity and water for irrigation, ending years of uncertainty which existed as a result of the license expiration in 1987.

In 1996, the Service and the Chicago District of the Army Corps of Engineers entered into a series of agreements with the National Fish and Wildlife Foundation (NFWF) and The Conservation Fund (TCF), both national nonprofit conservation organizations. The agreement with NFWF created the Northeast Illinois Wetland Restoration Fund. The agreement with TCF created the Northeast Illinois Wetland Conservation Account. Through these accounts, funds which resolve section 404 permit non-compliance issues are directed toward wetland restoration projects in northeastern Illinois. To date, over $1.2 million has been committed to 35 wetland restoration, enhancement, education and acquisition projects directly impacting almost 1,150 acres of habitat in the greater Chicago area and improving management capabilities on another 720 acres. In FY 1998, 13 projects were funded that will restore or enhance over 200 acres of wetland and 195 acres of upland habitat. An additional 53 acres of wetlands will be protected and a wetland education program will be initiated. Nearly $730,000 provided in FY 1998 by section 404 non-compliance funds will be matched by more than $1.6 million from other partners, including the Service. These activities serve as a prime example of how the Service, through its Project Planning activities, works with regulatory agencies and conservation organizations to both restore wetland habitats in the landscape and educate people about the value of such wetlands, thereby furthering Service Mission Goals 2 and 3.

The Stream Corridor Restoration Book, "Stream Corridor Restoration: Principles, Processes and Practices," was completed in FY 1998. This book represents the collaborative efforts of 15 Federal agencies and bureaus. The Service, National Park Service, Bureau of Land Management, U.S. Geological Survey and Bureau of Reclamation from the Department of the Interior participated in developing the book. Service representatives ensured that the treatment given to fish and wildlife resources and their protection, restoration and enhancement was commensurate with other topics addressed in the book. Service involvement in the development of this book is supportive of Service Mission Goals 1 and 2. Publication is expected in October 1998.

The Service has worked closely during FY 1998 with NMFS and EPA to ensure that two EPA permits, the Baseline Construction General Permit and the Multi-sector General permit, contained adequate provisions to protect threatened and endangered species and designated critical habitat. These permits, which will authorize up to an estimated 20,000 construction sites each year and up to 11,000 industrial sites, will each be screened for compliance with the ESA to ensure protection of federally listed species, which support Service Mission Goals 1 and 2. This process will be conducted in a manner that minimizes impacts on the regulated community.

The Service worked in partnership with the EPA, NMFS, the U.S. Army Corps of Engineers, National Resources Conservation Service and the Bureau of Reclamation to prepare a document entitled, "Guiding Principles for Constructed Wetlands: Providing Water Quality and Wildlife Habitat." This document will enhance the Service's efforts to restore aquatic habitat by promoting voluntary efforts on the part of various wastewater dischargers while simultaneously protecting species from the deleterious effects of wastewater. This product contributes to the achievement of Service Mission Goal 2.

The Service also works within and as a part of other Federal agencies in order to help them meet their conservation responsibilities through protecting fish and wildlife habitat. In FY 1998, the Service negotiated the placement of new Service technical liaisons in the EPA regional office in Dallas, Texas, as part of a strategy to better protect trust resources and their habitat during Superfund cleanup. The EPA and the Service both benefit from this arrangement, resulting in more environmentally protective cleanup of hazardous waste sites while ensuring better protection of valued fish and wildlife resources. For instance in FY 1998, the Service's liaison to the EPA Environmental Response Team produced an Ecological Risk Assessment for the Ross Metals Superfund Site in Rossville, Tennessee, which convinced the EPA that restoration of the adjacent contaminated 8 acres of wetland would lessen the harm to fish and wildlife resources as a result of cleanup actions. A restoration plan was prepared to investigate the best approach to protect the wetlands within the flood plain of the Wolf River. This remediation action is one of the first in the EPA Region to incorporate ecologically based cleanup criteria into the Record of Decision. In support of Mission Goals 1 and 2, the Service will make more of this type of technical assistance available to our Federal partners for the benefit of Federal projects and the natural resources impacted by such projects.

Further, Service oil spill personnel forged partnerships with other Federal, State and local government agencies, organizations and the public to protect fish and wildlife habitat through the development of area contingency plans (ACPs) and the detailed annex entitled, "Fish and Wildlife and Sensitive Environments Plan." This plan addresses fish and wildlife resources and their habitats, including a description of the potential and actual injuries resulting from spills. The Service is currently working on more than 63 ACPs nationwide and has completed 21 Fish and Wildlife and Sensitive Environments Plans. Also, the Service provides technical assistance to oil and hazardous substance spill responders through the Spill Response Contingency Plan by identifying how to minimize impacts to fish and wildlife resources and their habitats during spill response. After responding to over 1,700 spills last year, the Service exceeded 2,500 response actions this year which resulted in the protection of fish and wildlife and their habitats and, in some cases, led to the restoration of injured resources. There are currently 434 Service oil spill responders, representing all Service functions, working with Federal On-Scene Coordinators and other resource agencies to minimize the injuries to natural resources resulting from oil and hazardous material spills. The Service is evaluating spill reports, assessing injuries and conducting response options more efficiently each year resulting in a continued increase in the response rate to oil and hazardous substance spills by an annual average of 61 percent since 1994. Further, in cooperation with other bureaus and offices in the Department of the Interior, the Service is working to build the framework for a Departmental oil spill response program that can be integrated into the National Response System. This Departmental oil spill response program will help prevent the future loss of fish and wildlife habitat and decrease the potential exposure of these resources to spills.

The Service has been working on the development of partnerships that address important Clean Water Act activities that would protect trust resources and aquatic ecosystem health. In FY 1998, the Service partnered with NMFS and the EPA to address EPA's "California Toxics Rule" as State water quality standards. This action requires EPA to approve standards that protect aquatic habitat under the Clean Water Act for aquatic and water dependent species, including those that are federally-listed in California under the ESA. Many of the issues being addressed for California will affect other States. EPA and the Service are protecting habitat and water quality through approval of State water quality standards.

As part of a focused effort by the Department of the Interior, the Service is working with the EPA and Department of Agriculture by contributing to the President's Clean Water Action Plan. The Service implements the Plan through interagency workgroups and deploys Service resources in the field to accommodate the Plan's watershed approach to healthy aquatic ecosystems.

National Wildlife Refuge System

The National Wildlife Refuge System (NWRS) began with a promise made by President Roosevelt and carried out by a sometime boat builder, cook and orange grower named Kroegel. This promise was proclaimed on behalf of a nation with an emerging consciousness about the value of

Restoration Benefitting Fish and Wildlife Resources

Removing contaminated soil
USFWS Photo

In FY 1998, a pesticide burial site, located in Iroquois, NWR, northwestern New York, was found to be contaminated with persistent hydrocarbons. The Service expended approximately $1.2 million of emergency construction funds to remove the contaminated soil and transport it to Coffeyville, Kansas for incineration, which is the only acceptable disposal method for soils contaminated with the types of contaminants found. Fish and wildlife benefit from this cleanup and restoration, as the site was graded and revegetated for use as wildlife habitat.

Restored site planted with native grasses
USFWS Photo

The National Wildlife Refuge System began with a small island in Florida, known as Pelican Island, which became the first refuge and the beginning of an idea unique in the world.

things wild and free. It was a promise to preserve wildlife and habitat for its own sake and for the benefit of the American people. The promise began with a small island of pelicans, herons and egrets in Florida's Indian River, which became the first national wildlife refuge, and the beginning of an idea unique in the world. An idea that a network of lands should be set aside for wildlife. From this humble start at Pelican Island would emerge the NWRS as we know it today.

Brown Pelicans USFWS/J Rorabaugh

Nearly a century after Theodore Roosevelt's 1903 Executive Order established Pelican Island Refuge, the NWRS has grown to almost 93 million acres in size. It now includes over 510 refuges spread across 50 States and several U.S. Territories. It is a system providing a lifeline for millions of migratory birds, open spaces for elk, pronghorn and caribou, and wild niches for the rare and endangered. And it is a system which conserves a stunning array of the Nation's ecosystems: tundra, deserts, forests, great rivers, vast marshes, small prairie potholes, swamps, mountains, prairies, and remote islands are all represented under its canopy of protection.

Among Federal conservation systems, the NWRS occupies a unique niche. Rather than having purposes based on scenic or historic values, or on the concepts of multiple use in both recreational and economic terms, refuges focus on fish and wildlife, and most often, those species held in trust for all Americans. Trust species have been defined in laws and treaties passed or ratified by Congress: migratory birds, threatened and endangered species, certain fisheries, and several marine mammals. These trust species have played, and will continue to play, a critical role in defining the past and future management and growth of the NWRS.

During the 105th Congress, a bipartisan congressional coalition joined with a diverse group of non-governmental organizations, State fish and wildlife agencies, and the Department of the Interior to craft the National Wildlife Refuge System Improvement Act of 1997 (P.L. 105-57). The Act was signed by President Clinton on October 9, 1997. This law supplied the much-needed organic legislation for the first time in the 100-year history of the NWRS. It made fish and wildlife conservation the overarching focus of the NWRS by defining its mission as administering "a national network of lands and waters for the conservation, management, and where appropriate, restoration of the fish, wildlife, and plant resources and their habitats within the United States for the benefit of present and future generations of Americans." When signing the NWRS Improvement Act into law, President Clinton asserted, "The National Wildlife Refuge System is the world's greatest system of lands dedicated to the conservation of fish and wildlife. It is a system founded in faith; a belief that in a country as bountiful and diverse as ours, there ought to be special places that are set aside exclusively for the conservation of fish and wildlife resources. These special places are National Wildlife Refuges where the needs of wildlife are paramount."

The first major activity in FY 1998 to implement this important legislation was to conduct a series of workshops for employees across all Service Regions. A total of 14 workshops, involving approximately 550 Service employees throughout the Nation, were held to reach a general understanding of how the Act is expected to affect future management of the NWRS and to solicit input from attendees on how they see the Act affecting their daily activities. The information gathered from the workshops was used by the various teams working to develop policy, regulation, and other guidance reflective of the Act.

The National Wildlife Refuge Improvement Act of 1997 emphasizes wildlife recreation opportunities for Americans in hunting, fishing, photography, wildlife observation, interpretation, and environmental education. Refuges offer new wildlife recreation programs in hunting and fishing for the 1998-99 seasons and brings hunting to 290 and fishing to 307 National Wildlife Refuges. Canaan Valley NWR, West Virginia and Key Cave NWR, Alabama now offer hunting of migratory game birds, upland game, and Key Cave NWR also allows hunting of big game. Trustom Pond, Rhode Island has a new migratory game birds hunting program. Sport fishing is offered at Trustom Pond NWR, Rhode Island; Breton NWR, Louisiana; Amagansett, Oyster Bay, Seatuck and Target Rock NWRs, New York; Block Island, Ninigret, Pettaquamscutt Cove and Sachuest Point NWRs, Rhode Island; Dungeness and Nisqually NWRs, Washington; Guam, Kilauea Point and Midway Atoll National Wildlife Refuges, Pacific Islands Territory.

In managing resources in the NWRS, fire is an important tool. In 1998, there were sweeping changes in the Service's ability to use prescribed fire management in the NWRS. The Wildland Fire Management Appropriation contained language which permits all Interior agencies to utilize funds from the former Emergency Fire Suppression account, renamed Wildland Fire Operations, to perform hazardous fuel reduction management and prescribed fire operations for ecosystem enhancement. For the Service, the $2.068 million available for fire use and management in 1997 grew to a flexible target in excess of $5 million for FY 1998. As a result, the Service expects to increase prescribed burning acreage targets from about 150,000 acres to about 400,000 acres. Consistent with Mission Goal 2 of the Service, this support translates into increased use of prescribed fire for refuge habitat enhancement and better management of hazardous fuels.

The Recreational Fee Demonstration Program continues to be a prosperous endeavor for participating national wildlife refuges. There are currently 77 approved sites in the Recreational Fee Demonstration program. Six new sites

Helping Visitors at Chincoteague NWR USFWS/Hollingsworth

Through the Recreational Fee Demonstration Program, visitor experiences at refuges are enhanced by improving trails, adding interpretive staff and brochures, and building wildlife observation platforms.

were added in FY 1998. Receipts for FY 1998 are approximately $3,300,000 with an estimated $2,950,000 to return to the refuges where the funds were collected. To enhance the visitor experience, these funds are being used for improvements to visitor services such as restoration and maintenance of trails, additional interpretive staff, improved posting of areas, improved roads and other access points, accessible wildlife observation platforms, purchase of spotting scopes, new fixtures for restrooms, upgrading of aquarium equipment, and printing of visitor information leaflets.

Management of refuges relies on the help of volunteers.

The Service enters into partnerships agreements with a wide range of individuals and organizations at the national, regional, and local levels to benefit the NWRS and the Nation's wildlife resources. Partnerships bring to refuge operations the skills and expertise of those who enter into agreements with the Service. Funding support can also be a facet of a partnership agreement. As an example, some cooperative efforts allow the Service to financially assist landowners or organizations with habitat restoration or enhancement projects. Cooperative programs in NWRS in 1998 were varied and include partnerships with groups such as the National Audubon Society (The Refuge Campaign, Audubon Refuge Keepers Program), the National Wildlife Refuge Association (Friends Initiative, Refuge Reporter), Safari Club International (joint habitat restoration projects, education, Refuge System awareness), "Ding" Darling Wildlife Society (community-based refuge support), Ducks Unlimited (wetland habitat restoration), and many others.

FWS Volunteer Seining USFWS/Ryan Hagerty

Partnerships bring to refuge operations the skills and expertise of those who enter into agreements with the Service.

Management of the NWRS is conducted also with the help of a diverse and dedicated force of thousands of volunteers. This volunteer support increases each year as the Service becomes more reliant on volunteer assistance to accomplish its mission. Since the volunteer program's inception in 1982 with 4,251 volunteers, the number of individuals helping the Service perform its work has grown steadily to 28,850 today. The value of a volunteer's time is difficult to measure, but using an entry level salary as a benchmark, donated salary has increased from almost $1 million in 1982 to approximately $14 million this year. The Service's volunteer program extends into all divisions of the agency and the benefits are as diverse as the natural resources it supports.

The Service's volunteer program increases public understanding and appreciation of refuges and their resources through hands-on experience. It also promotes partnerships with State and local governments, individuals and private groups. Just a few examples of volunteer services include the construction and maintenance of bluebird boxes at Iroquois NWR in New York, around-the-clock security and biological support for the captive red wolf colony at Alligator River NWR in North Carolina, assistance in a baseline survey to determine the distribution and abundance of northern pike in the Moose River watershed at the Kenai Fisheries Resources Office in Alaska, and operation of the visitor center and patrol in the trail warden program at Sachuest Point NWR in Rhode Island.

Increasing the number and role of community partners in the work of the Service is an important goal of the Friends Initiative. Friends support and expand volunteerism on a more organized level by establishing private nonprofit citizens organizations who support refuges across the Nation. These community partners have increased in number each year since the initiative began in 1994. Friends volunteer organizations assist refuges with educational programs, resource management, maintenance, public use and wildlife oriented recreational opportunities, community outreach and support for the full range of refuge programs. Through a cooperative effort with the National Wildlife Refuge Association, the Friends Initiative documented 94 established community partners, with an additional 39 refuges beginning to organize a local Friends group. Accomplishments for FY 1998 exceeded national goals as refuge managers realized the benefits of involving the community in the work of the refuge. In support of Mission Goal 3, refuge managers across the Nation stepped beyond the boundary to allow communities to feel a part of the refuge, which enhanced their appreciation and understanding of the NWRS.

The most important contribution to community partnerships was donated by Congress with the enactment of "The Volunteer and Community Partnership Act" in FY 1998. The Act brings recognition and additional authorities to the volunteer program and community partnerships, as well as supports education programs. Refuges can now more easily conduct business with our community partners under the auspices of the newly authorized and streamlined administrative processes. Leveraging Federal dollars and staff, refuge managers will be able to operate and construct services through cooperative agreements, deposit donations in individual accounts at the refuge, and match donations. A Senior Volunteer Program tapping Americans over 50 with the expertise and education needed for site-specific projects will be implemented.

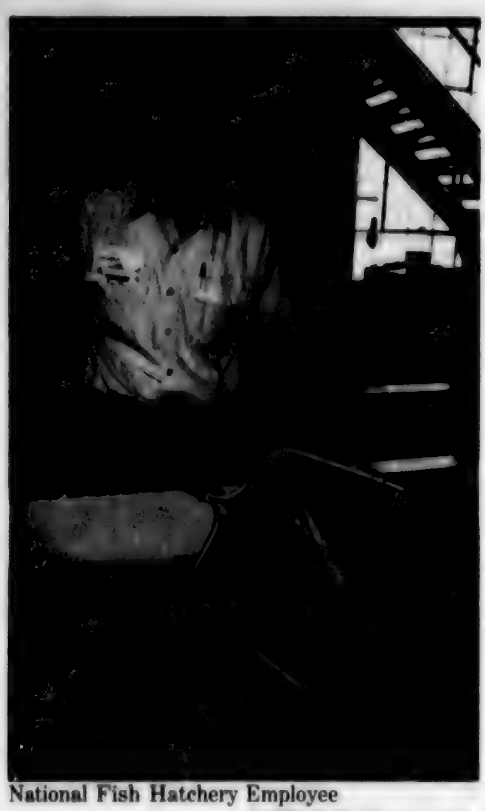
Another boost to the Friends came from Congress in the form of a $125,000 appropriation for a new small grant program. The grants from $500 to $5,000 assist local nonprofit partners to actively support the NWRS mission. Over 100 applications in 32 States were received from Friends trying to organize and connect the refuge to the community. Serving as a Friends Initiative partner, the National Fish and Wildlife Foundation generously volunteered to manage the administrative operations of the program.

Outdoor Refuge Classroom
USFWS/Hollingsworth

Community partners assist refuges with educational programs, recreational opportunities and cooperative resource management.

The Friends Mentor Team of talented private citizens and Refuge Managers volunteered at 11 refuges to mentor staff and local citizens on how to start and sustain a viable organization dedicated to the refuge system mission. Refuges from Alaska to Florida and New York to New Mexico received customized service. Friends Course II, held jointly with the National Park Service, was a success, bringing together Park Superintendents and Refuge Managers to learn how to be leaders in the Friends movement. The Service contracted with the National Wildlife Refuge Association to conduct four Friends Workshops in key

Co-op Farming on Refuges
USFWS Hollingsworth



National Fish Hatchery Employee
USFWS/Hollingsworth

The Service, through the National Fish Hatchery System, is contributing to the health of fishery resources and aquatic ecosystems throughout the Nation.

geographical areas, which attracted up to 60 participants wanting to learn how to start a Friends Organizations. The Service financed the reprinting of the National Wildlife Refuge Association's popular publication entitled, "Taking Flight," which is a handbook on starting a local nonprofit partner with refuges.

National Fish Hatchery System

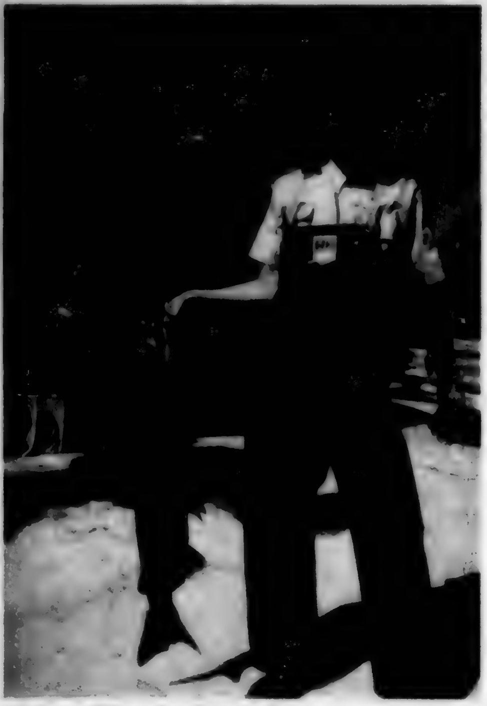
The Service began its National Fish Hatchery System (NFHS) with the establishment of the McCloud River egg-collecting station in the State of California in 1872. Since that date, another 288 fish hatcheries of various sorts were added to the roster to aid the Service in attending to its fishery resource propagation responsibilities. During much of that time, the primary tool used to combat declines in fish populations was stocking fish produced by Service hatcheries. Through today, approximately three-fourths of these facilities in the NFHS have been closed, transferred to other organizations, or merged into other facilities. The NFHS has been reduced to 67 hatcheries with which to carry out fishery conservation. Nine Fish Health Centers and seven Fish Technology Centers provide support to the network of fish hatcheries. All 83 of these facilities in the NFHS serve fishery resource needs stemming from Federal fisheries responsibilities, which involve fisheries that have been seriously impacted by habitat alterations and by overuse. National fish hatcheries have evolved and adopted new philosophies and roles in fishery management, particularly as the fishery programs of Tribes, States, other Federal agencies, and the Service as a whole have proliferated and diversified. Working in concert with other aquatic resource managers, the Service's hatchery managers rely on three main tools: 1) conserving and restoring habitat, 2) managing harvest, and 3) using captive propagation to replenish depleted populations.

USFWS /Pam Thiel

Despite the best efforts of agencies, organizations and individuals united in conserving and restoring aquatic resources, human influences have pushed many of our Nation's aquatic resources beyond their ability to sustain themselves. Formidable improvements in knowledge, techniques, and technologies used in managing aquatic resources have helped stewardship efforts, but have not yet stopped the decline of many of our Nation's aquatic resources. More than a third of our fish species face extinction, along with two-thirds of our freshwater mussels. Today 108 species of fish are listed as threatened or endangered under the ESA. Across the Nation, many aquatic systems continue to be overtaxed by societal pressures. The Service's highest priority actions in FY 1998 focused on recovery of listed or candidate species, restoring depleted fish populations to preclude listing, restoration and management of interjurisdictional fisheries and aquatic ecosystems, fulfilling mitigation obligations, and fish and wildlife assistance to tribes and Service lands.

Today fish hatcheries are primarily remedial tools. They are used largely to counteract natural and induced perturbations that have greatly reduced the range and abundance of fish populations. About 78 percent of the production of the NFHS is used in the restoration and mitigation of nationally significant fish species. For example, over the past 8 years, fish hatcheries stocked over 50 million Atlantic salmon in New England waters to aid in the restoration of Atlantic salmon to the streams and rivers of the Northeast. To assist in this effort, over 8.5 million Atlantic Salmon fry were stocked during the 1998 production season. These fish are expected to yield higher adult returns, an important step in establishing natural spawning populations.

Production and stocking of lake trout into the Great Lakes also continue to be a highly successful, high priority program for the NFHS in 1998. Over the past 13 years, National Fish Hatcheries have stocked over 100 million lake trout eggs, fry, and juveniles into the Great Lakes. In 1998 over 5 million lake trout were stocked



Salmon Migration Research
USFWS/J&K Hollingsworth

into the Great Lakes. As a result of these stockings, restoration of lake trout progressed well in the Great Lakes, especially Lakes Superior, Huron, and Erie. Natural reproduction from lake trout stocked in 1985 on Six Fathom Bank of Lake Huron has been documented, indicating progress in establishing self-sustaining populations. Similarly, lake trout are reproducing successfully in Lake Ontario for the first time since native lake trout disappeared from the lake more than 50 years ago. These welcomed results are attributable, in part to fish stocked into Lake Ontario from the Allegheny National Fish Hatchery over the past 20 years.

In 1998, the NFHS produced over 66 million steelhead and Pacific salmon to supplement and mitigate natural production in the streams and rivers of the Pacific Northwest. These fish production programs complement efforts to restore salmon habitat, improve fish passage, moderate harvest, and lessen mortality imposed by hydropower dams. Until actions are taken to reduce the adverse effects of a variety of activities that degrade and diminish habitat and existing salmon stocks, fishery managers in the Northwest will continue to depend on production from fish hatcheries to counteract those activities.

The NFHS plays two important roles under the ESA in helping conserve aquatic organisms. First, Federal hatcheries are directly involved in efforts to recover species listed as threatened and endangered under the Act. Second, Service hatcheries are integral to ensuring that depleted populations are restored to levels of abundance sufficient to avoid listing. The NFHS typically treats listed species and those at risk of being listed under the single label of "imperiled species." At most hatcheries, propagation of threatened and endangered fishes was a significant program but not the major activity of the station; 17 hatcheries devoted 20 percent or less of their total production to listed species. Three hatcheries devoted at least 80 percent of their production to listed species. Another 18 fish hatcheries were directly involved in precluding listing, bringing the number of Service hatcheries involved with imperiled species to 38.

Thirty-four of the threatened and endangered species held or propagated by Service hatcheries in FY 1998 were inland species and three were anadromous species. Primary activities consisted of developing fish culture techniques and technologies, propagating species for release into wild waterways, and holding fish in genetic refugia. Nearly all of the Service's hatchery activities were guided by approved recovery plans. When listed species lacked approved plans, activities followed recommendations from accomplished conservation biologists. Eighty of the 108 fishes listed under the Endangered Species Act had approved plans in FY 1998. Forty-one of those approved plans required or specified the use of Service hatcheries as tools in recovery.

The role of the NFHS in achieving the goals of the ESA is illustrated in the two examples that follow. In the case of greenback cutthroat trout, progress toward recovery would not have been possible in the absence of Service hatcheries, fish technology centers, and fish health centers. In the case of Atlantic salmon in the Downeast rivers of Maine, Service hatcheries, fish health centers, and fish technology centers were part of the mix of capabilities used to preclude listing.

Greenback cutthroat trout are listed under the ESA as threatened. Habitat destruction, overharvest, and competition from non-native salmonids were identified as primary causes of the species' decline. Working in concert with States, universities, conservation organizations, industry and the public, greenback cutthroat trout raised by the Service helped restore the species in more than 40 lakes and streams in and around the Rocky Mountain National Park and other areas of Colorado. Recovery has

Service fish hatcheries have aquaria where visitors can see fish firsthand.

Channel Catfish in Aquarium USFWS Photo

National Fishing Week - Washington, DC

USFWS - Lee [illegible]

progressed so well that limited catch and release fishing is now permitted in 15 lakes.

Atlantic salmon in Maine has been petitioned for listing under the ESA. As a result of collaboration among the Service and its conservation partners, the Service decided that Atlantic salmon in seven Maine rivers could be restored by successfully implementing a fishery management plan, thereby removing any need for listing. Toward this end, the Service worked closely with the State of Maine, Penobscot Indian Nation, Atlantic Salmon Foundation, conservation organizations, industry and the public to enhance self-sustaining populations of Atlantic salmon in the Dennys, Machias, East Machias, Narraguagus, Pleasant, Ducktrap and Sheepscot rivers. Efforts have been guided by a conservation plan that identifies specific restoration activities and goals, including ones for captive holding and propagation of each of the seven Atlantic salmon stocks for reintroduction to restored native habitat.

The Service's fish hatcheries cannot meet their responsibilities without direct support from two other components of the National Fish Hatchery System—the Service's Fish Technology Centers and Fish Health Centers. Fish Technology Centers provide direct technical support to the NFHS and its efficient operation and also provide technical assistance and fish culture technology to State hatcheries, the commercial aquaculture industry, and to other organizations and individuals engaged in raising fish. Fish Technology Centers conserve the genetic integrity of fish stocks with emphasis on native fishes, evaluate the interactions between cultured fish and wild stocks, develop fish culture and transport techniques and technologies to assist in the recovery of threatened and endangered fishes, and develop and test the effectiveness of drugs and chemicals in reducing fish diseases by finding innovative ways of reducing the use of drugs and chemicals in hatcheries while still producing high-quality fish.

The Service's Fish Health Centers work cooperatively with fish hatcheries, Tribes, States, and other Federal agencies to detect, identify, document, and control fish pathogens and diseases. Fish Health Centers are expanding their roles in recovering endangered and threatened species by providing diagnostic services and expertise for recovery programs and by developing non-lethal methods for fish health sampling and monitoring of threatened and endangered species.

The NFHS provides many kinds of outreach programs to promote environmental awareness and involve the public in aquatic resource stewardship and fishery management in support of the Service's Mission Goal 3. Over three million people visit the NFHS annually and many are attracted by the opportunities that the NFHS provides in aquatic education. Each year thousands of students from private and public schools take advantage of outdoor laboratories and learning centers at Service hatcheries. Under an education program begun in 1994, many fish hatcheries initiated cooperative programs with secondary schools with the goal to provide instruction in fish biology, aquaculture, fishing, and ecosystem stewardship. Curricula developed include laboratory analysis of fish specimens, principles of applied fisheries management, and opportunities for students to learn hatchery production techniques. Service hatcheries also are linked to many colleges and universities through cooperative programs under which graduate and undergraduate students conduct research or work part-time at hatcheries.

Hatcheries also provide wonderful opportunities for adults and children to simply see fish firsthand. Many Service hatcheries have aquaria, special windows and stations where visitors can see several kinds of fishes, and various displays that explain the importance of being good stewards of our Nation's aquatic resources. National Fishing Week is actively supported by all in the NFHS. Fishing clinics, display aquariums, demonstrations, and environmental education sessions are highlights of this event. Many hatcheries also host various special events, like fishing derbies and special social gatherings, where visitors are provided other opportunities to learn about aquatic resources and participate in programs designed to strengthen public awareness of the importance of caring for fishery resources.

Many of the Service's outreach and education programs in the NFHS are conducted by volunteers who recognize the important role the NFHS plays in the understanding of proper environmental values and ethics in Americans of all ages. More than 3,000 volunteers contribute over 61,000 hours of their time annually to assist with outreach and education activities on Service hatcheries.

Wildlife and People

Communicating the Service's unique wildlife conservation mission to the American people is critical to achieving Service goals. With public interest in endangered species issues and wildlife-related, outdoor recreation, the Service focused its efforts in FY 1998 on explaining and interpreting the changing face of Service conservation efforts. It is important for the American people to understand why the Service, through its conservation of endangered species, released Mexican wolves into the wilds of Arizona or loaned a manatee to Sea World in San Diego, California. For migratory birds, developing public awareness of the snow goose overpopulation issue, as well as explaining proposals to change waterfowl hunting regulations regarding "baiting" was necessary for the public to understand Service actions. Control efforts aimed at exotic aquatic species, the removal of several dams to benefit regional fisheries, and the release of hatchery-raised, endangered pallid sturgeon all captured national attention. Such communications formed part of the Servicewide effort to strengthen conservation partnerships with other Federal, State, and local government agencies, non-government organizations, and the private sector.

The Service's Unique Conservation Mission

It is important for every American to understand why the Service, through its conservation programs, released Mexican wolves into the wilds of Arizona or . . .

USFWS/Richard Forbes

USFWS/Baylen Ratburn

loaned a manatee to Sea World in San Diego, California, or . . .

USFWS/Hollingsworth

developed a public awareness of snowgoose over-population issues.

As part of our emphasis on public outreach, the Service strives to ensure that its employees deliver consistent, effective conservation messages to the public. One particular focus of this effort involved educating employees on methods for developing and implementing public outreach for all major Service regulatory or management initiatives. As with the other work of the Service, training for this initiative was done at the National Conservation Training Center (NCTC).

In the first year of the operations of the National Conservation Training Center, the Service trained nearly 10,000 conservation professionals representing 100 different organizations and 20 countries.

National Conservation Training Center Campus USFWS Photo

FY 1998 – its first full year of operation – was a momentous one for the Service's NCTC in Shepherdstown, West Virginia. Nearly 10,000 conservation professionals, representing 100 different organizations and 20 countries, came to NCTC for training, workshops, and meetings, fulfilling the center's goal of serving as a forum where conservation professionals can learn new skills, share perspectives from both inside and outside of government, and seek "common sense" solutions to resource management issues. More than 225 courses were offered in FY 1998 to participants from Federal and State agencies, Native American tribes, non-governmental organizations, and the corporate sector. The cross training offers students not only new skills in fish and wildlife management, but also new opportunities for students from different professions and walks of life to learn more about each others' perspectives, to break down communication barriers, and to find ways to work together to conserve natural resources.

The NCTC also inaugurated its new "distance learning" capability in FY 1998, allowing instruction to begin via interactive satellite communications to downlink sites around the country. By August 1998, seven sites with "downlink" capabilities with NCTC had been established at Service Regional offices and field stations. Additional opportunities to receive NCTC instruction exist within a government wide satellite downlink network for Service field stations that cannot invest in their own equipment at this time.

Another initiative to help the American public understand Service actions directly dealt with our capability to communicate with our stakeholders in plain, simple language. On June 1, 1998, the President issued a memorandum mandating the use of plain language in Federal Government writing. In July, the Service, in partnership with others in the Department of the Interior, conducted plain language training for Service employees. One session included a representative from the National Park Service and a reporter from the Baltimore Sun, who had learned of our plain language training from the Vice President's task force, Plain English Network.

Because many Service field stations are located in remote areas across the United States, it is important that all Service employees know and have available the current policy and management directives that affect their daily actions. The Service Directives System, consisting of the Fish and Wildlife Service Manual, Director's Orders, and National Policy Issuances, maintains the policy and management directives of the Service. During FY 1998, 124 new or revised directives were issued through the Service Directives System. New directives are posted on the Internet upon approval, ensuring that employees have immediate access to the most current guidance. This effort further exemplifies the Service's commitment to communicate effectively with and to convey accurate natural resource information to the American people.

Congress is increasingly interested and active in the areas of natural resource management and fish and wildlife conservation issues. The Service is called on by Members and their staffs to meet this increased demand for information about fish and wildlife issues pending before Congress. During 1998, the Service answered thousands of telephone inquiries from Congress, arranged over 250 briefings on legislative and congressional matters, and provided other technical support as requested. The Service was actively involved in a number of legislative proposals critical to the mission of the Service and participated in over 55 hearings, drafted over 50 legislative reports and organized or participated in over 160 bureau and interagency meetings on policy and legislative issues. The Service assisted the Congress in considering over twenty pieces of legislation, some of which include: African Elephant Conservation Act, Asian Elephant Conservation Act, Atlantic Striped Bass Conservation Act Amendments, North American Wetlands Conservation Act, Baiting of Migratory Waterfowl, Great Lakes Fish and Wildlife Restoration Act, and Coastal Barrier Resources Act.

Environmental Education with Future Conservationists USFWS/George Gentry

Because of the public's interest in fish and wildlife, the Service is responding with increased emphasis on environmental education.

The Service worked closely with tribal partners to encourage tribal participation in ecosystem management of the NWRS. In 1998, the Service entered into more than 75 cooperative agreements with Indian tribes across the Nation. These cooperative agreements range from migratory bird harvest surveys, fish hatchery operations, interpretation programs at visitor centers, and monitoring of recovery efforts for the grey wolf and spotted owl. Also, the Service provided leadership among other DOI bureaus in publishing a proposed rule for implementing the Tribal Self-Governance Act of 1994. In addition, implementation protocols were developed pursuant to Secretarial Order 3206 concerning the relationship between tribal governments and the Service's administration of the ESA. More than 40 individual tribal law enforcement officers were trained by the Service in conservation law enforcement, which has increased tribal participation in Service law enforcement actions that may occur on or adjacent to tribal trust lands. Further, the Service forged partnerships with the Native American Fish and Wildlife Society, the National Congress of American Indians, and the Northwest Indian Fisheries Commission. Work has continued with other Federal Indian Liaisons in developing a Federal resource guide for Native Americans, various cooperative efforts in economic development, and in providing training to Federal personnel regarding tribal trust responsibility.

Wildlife Without Borders

International Affairs
http://www.fws.gov/r9dia/index.html

Conserving Fish and Wildlife Throughout the World

International Conservation

The Service's broad international programs carry out a variety of responsibilities under some 40 treaties, statutes and agreements. Committed to the conservation of species worldwide, the Service recognizes that human involvement in conservation action is critical to the sustainability of wildlife populations -- the goal of the programs is to work with the global community to conserve wildlife without borders. In 1998, the Service worked in partnership with a number of concerned organizations to further conservation initiatives around the globe.

One of the most direct ways that Service programs impact international species conservation is through the permit process, under which the Service seeks to enhance conservation while addressing the needs of the public that it regulates. Not only is the process being streamlined and updated technologically, but it is also being refocused to foster a new conservation ethic and serve as an incentive for sound, scientifically based conservation programs for trust species at home and abroad. Under the Convention on International Trade in Endangered Species (CITES) and the ESA, permits are a conservation tool to encourage international species conservation. The Service's recent policy on Giant Panda conservation is a good example of permit issuance directly linked to conservation. The primary goal of that policy is to ensure that permitted activities contribute to the survival and recovery of wild panda populations. It clarifies panda import requirements for organizations carrying out work directly related to wild panda conservation in China, and it serves to enhance the sustainability of captive populations there. Working in partnership with San Diego Zoo, the Service developed a prototype whereby funds generated by panda imports into the United States go directly to panda conservation projects in China. The policy recognizes the opportunities available to permittees to contribute to conservation where it counts the most--on the ground, in the wild.

A second facet of the Service's permits initiative is reflected in the electronic communications made available during the past year. To speed the permits process and to make as much information as possible available to its customers, the Service now hosts application packages on the Internet, and makes them accessible through a "faxback" process. Applicants can retrieve appropriate forms and background information on a range of topics from sport-hunted trophy applications to export/reexport and marine mammals. If a fax machine is more accessible, the same information is available by dialing a convenient 800 number. Of course, for those who continue to feel more comfortable with paper, pre-printed applications still remain an option. Further, the Service initiated a Nationwide permits tracking system, which enables applications to be logged, tracked and issued electronically. Potentially, the system also will offer a broad database on

Giant Panda
USFWS /Zoological Society of San Diego

Working Together to Serve You

From one program's small needs assessment team, SPITS became the Servicewide collaboration of four programs. SPITS, the Service Permits Issuance and Tracking System, is an electronic database that contains permit and species information, and allows for permit issuance and tracking.

SPITS is unique in the number of program offices it benefits and the amount of cross-program development that went into bringing it online. Gary Sanders, a computer expert with the Service's international programs, said, "I believe it is the first nationwide system in the Service that has been designed wholly by consensus." This project involves the Service's Big Four permit-issuing offices—Management Authority, Endangered Species, Law Enforcement and Migratory Birds. These partners have diligently worked out the intricacies of computer fields, developing standard screens to serve customer needs and troubleshooting the program.

Maggie Tieger, the project's coordinator, and Karen Anderson, a SPITS team member, feel everyone has come a long way. Integrating the four different subcultures to act as one was a challenge, whether it was administering different laws, managing different needs and protocols, or understanding technology. "Those of us who were biologists or managers, not programmers, had to get used to the language of programming", Tieger said.

In SPITS infancy, Management Authority wanted to develop a client-oriented electronic tracking system to streamline work, but no "formal budget to put the system together [existed], so…we decided to work in-house and draw on the expertise of the regions and field offices", Phil Koscheka of Migratory Birds recalls. Tieger explains, "at times, certain offices felt disenfranchised. Others thought the process was taking entirely too long. Sometimes, team members wanted to continue the permit process as it had always been, and felt uncomfortable with a system that made all the programs look alike. What ensued was a wholly original effort for these four program partners. Although they have collaborated before, it has never been in this way, so closely linked as they have become through SPITS. In the past, partnerships were more short-lived, with each partner serving primarily in a review capacity when program concerns overlapped. However, this time, program representatives sat across the table from each other at meeting after meeting, hammering out the details of a project that will keep them talking for years."

Despite growing pains, SPITS is very user-friendly. Permits can be processed twice as fast and the software makes it easy work across programs. Other features include ad hoc reports and nationwide statistical tracking, as well as improvements in species management tracking and analysis, nationwide data sharing, and the standardization of wildlife law implementation. The software was programmed in a Windows environment to stave obsolescence. As an added byproduct, the program meets Year 2000 compliance.

In the future, we can look forward to these features: (1) universal accessibility—LE needs all their special agents and wildlife inspectors to be able to access data, besides only people who issue permits, (2) web browser capability, and (3) interactivity—client can determine the status of their application.

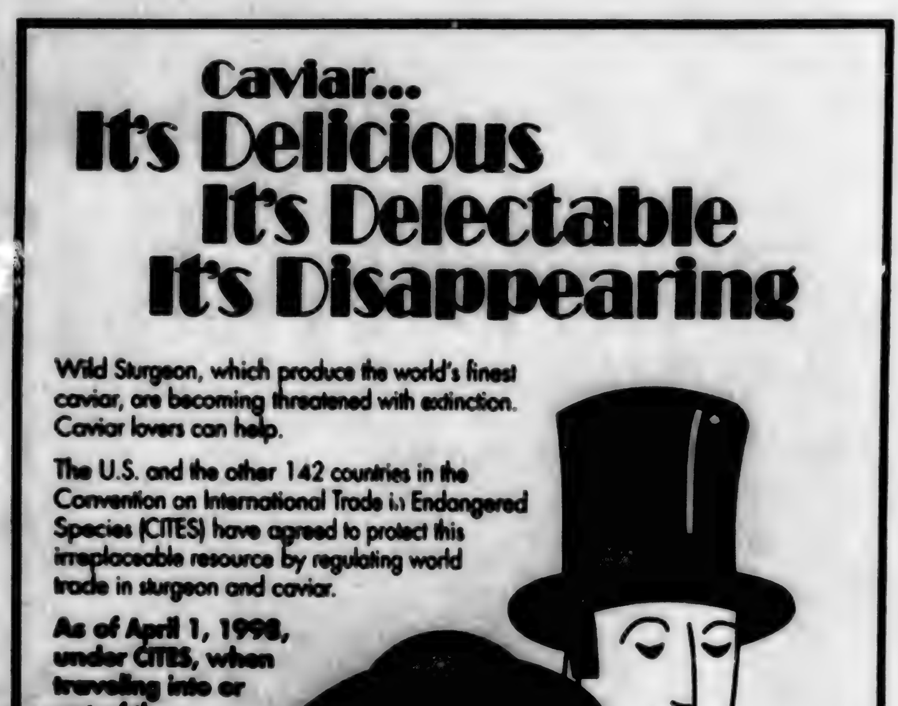
So SPITS has been a collaborative process. It has cut across program lines in a positive way. It has demonstrated the versatility of different Service programs, which, because of the SPITS process, have explored whole new realms and ways of thinking. And it has taken a critical daily office function on which the public depends and proven that there are always ways to do a job better. All that's required is a vision for how things could be, some creative ingenuity, teamwork, and a little extra cash.

the conservation status of animals and plants. The advent of the tracking system is particularly important to the streamlining process. First, the system is a Nationwide system used by all parts of the Service engaged in the permits process and its use will enhance consistency among permit decisions by the Service. Second, the electronic capabilities of the new systems greatly increase the ability of the Service to meet its responsibilities both to people and to resources.

Often, a CITES listing either increases speculation that a species is headed for extinction, or it raises fears that the listing will interfere with legal, sustainable trade. Through its CITES Appendix II programs, the Service emphasizes that such a listing actually benefits commercial activities. First, it is centered on the premise that legal sustainable trade will continue. Second, it indicates that those who trade in Appendix II species are conservation-minded and environmentally responsible. In 1998, the Service initiated efforts on behalf of two newly listed Appendix II species--sturgeon and goldenseal.

As the primary source of commercial caviar, sturgeon suffered worldwide declines attributed both to habitat destruction and international trade. Some are at serious risk of extinction. The 1998 listing of all sturgeon species under Appendix II of CITES provided a regulatory mechanism for the import and export of sturgeon and their products. It was intended to help curtail illegal trade in caviar, and conserve wild populations, notably those of the Caspian Sea. However, it also had the potential to impact legal trade while countries were in the process of developing the necessary framework for permits. To assist those most impacted by the listing, the Service held public meetings on the east and west coasts, worked closely with the importing community to address concerns, provided printed materials explaining the new requirements of the program, and initiated extensive media outreach to ensure compliance with the new requirements for trading in sturgeon products. Increased awareness resulted in industry initiatives to educate consumers both at national and international levels.

The Service engaged in a similar initiative for goldenseal, developing a collaborative partnership with industry. Goldenseal dealers and manufacturers, along with government and non-government representatives, met in early 1998 to discuss a sustainable use program for the goldenseal. Although little scientific research has been undertaken for the plant, its popularity as a alternative health medicine, often paired with echinacea, has fueled heavy collection by the herbal industry. To develop baseline data, the Service collected information on the status of the plant in the wild as well as its trade through a pilot project which uses industry participation in the record-keeping system and data collection. The baseline data enables the Service to make the necessary findings to allow export. In the words of one industry representative, "Our industry is growing, and people are



Wild Sturgeon, which produce the world's finest caviar, are becoming threatened with extinction. Caviar lovers can help.

The U.S. and the other 142 countries in the Convention on International Trade in Endangered Species (CITES) have agreed to protect this irreplaceable resource by regulating world trade in sturgeon and caviar.

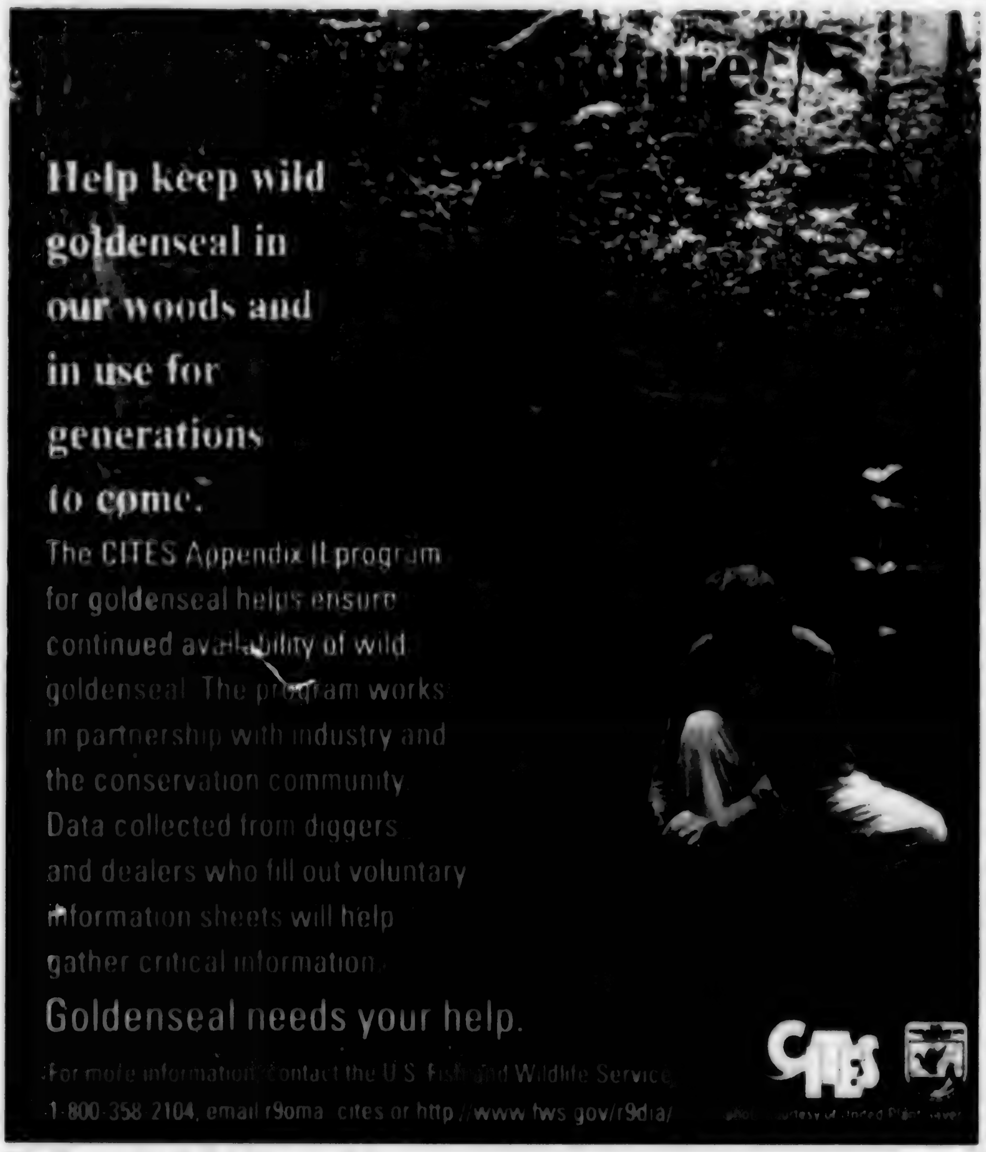
As of April 1, 1998, under CITES, when traveling into or out of the United States, you may only bring with you 250 grams of caviar per trip.

For more information on this international conservation initiative, contact the U.S. Fish and Wildlife Service, 1-800-358-2104.

excited about that, but we can't look at the model of 100 years ago. If you go out and walk the land, there aren't a lot of plants left. We need long term vision as well as practical first steps." The Service hopes that partnering with industry for goldenseal sustainability will accomplish both.

Traditionally, plants receive less public attention than animals. However, their contributions to life as we know it are common knowledge to any elementary school science class. Again, as a result of its CITES commitments, the Service maintains a little-known but significant program for plants that illegally enter the United States. In cooperation with the Department of Agriculture, the Service manages a Plant Rescue Center program through which confiscated plants receive sanctuary in botanical gardens, arboretums, zoological parks and research institutions that volunteer to receive them. Currently, 57 institutions in 24 States, plus the District of Columbia and Puerto Rico, serve as plant rescue centers. To qualify for this distinction, entities must be government or privately funded nonprofit organizations. They also must be able to hold a plant shipment for 30 days in the event that the country of origin requests the plants back. After the 30 days have passed, the plants may be incorporated into the facility's collections. The plant rescue program has been one of the most successful programs administered by the Service under CITES. It not only allows for plant rescue, but also offers institutions an opportunity to use the plants for public education on the effects of trade.

In 1998, the Service also recognized long-term commitments to conservation and initiated a few new ones. For more than 25 years, the Service exchanged information as well as technical assistance with The Russian Federation. Joint studies of such transborder species as polar bears, waterfowl and seabirds have been strengthened by a small grants program that assists nature reserves. These grants supported facilities maintenance and repair, made possible species reintroductions, strengthened law enforcement capabilities and helped develop community outreach. Bilateral environmental cooperation received special emphasis in 1998 as a result of the Gore-Kirienko Commission. This resulted in a new initiative to collaborate on shared species and provide additional conservation assistance to sensitive areas threatened by political and economic change.



Help keep wild goldenseal in our woods and in use for generations to come.

The CITES Appendix II program for goldenseal helps ensure continued availability of wild goldenseal. The program works in partnership with industry and the conservation community. Data collected from diggers and dealers who fill out voluntary information sheets will help gather critical information.

Goldenseal needs your help.

For more information, contact the U.S. Fish and Wildlife Service, 1-800-358-2104, email r9oma_cites or http://www.fws.gov/r9dia/

Photo courtesy of United Plant Savers

The Service, in a collaborative partnership with industry, developed a sustainable use program for goldenseal, an alternative health medicine.

The Service is placing increased importance on shared species that migrate between Nations and whose welfare is dependent on international cooperation. The Monarch butterfly is one such species. Monarchs require three to five generations to migrate from breeding areas in the U.S. and Canada to wintering grounds in the highland fir forests of central Mexico before returning north. This unique multi-generational phenomenon, unknown in any other organism, provides an extraordinary educational opportunity to study migratory processes through a species commonly accessible to schoolchildren. Yet, the Monarch's survival is being jeopardized by logging, agriculture, uncontrolled tourism, erosion, and pollution in its wintering grounds. In 1998, the Service continued its work on Monarch butterfly conservation jointly with local Mexican groups to develop low-cost, low-impact agricultural and tourism options encouraging the species' conservation. This work is providing incentives to communities to participate in decisions

The welfare of the Monarch butterfly depends on international cooperation.

that affect them and their environment. At the national level, the Service also assisted in the development of environmental education programs to inform the Mexican people of the importance of conservation.

Legislation initiating a new program to help protect Asian elephants came into existence in 1998. These mammals, found in 13 southern Asian countries, number fewer than 45,000--about one-tenth the population of wild African elephants. Significant habitat loss and poaching led Congress to pass legislation affording Asian elephants protection similar to that for rhinos, tigers and African elephants. Projects to be developed under the new program will address protection and management of habitat, resolution of land use conflicts, reduction of poaching and humane treatment of captive populations.

Monarch Butterfly USFWS Photo

The Service built on its long history of involvement in international conservation by encouraging skilled and experienced Service technical personnel to provide short-term conservation assistance to other countries. The result is the Service's International Conservation Corps. Typical assignments for Corps members will include providing technical advice on establishing protected areas, developing educational materials, conducting workshops and participating in scientific exchanges. The Corps' ultimate goal is the goal of the Service--commitment to conservation through effective partnerships that help ensure the continuance of wild plants and animals around the world.

North American Conservation

The work of the Service with its regional, national, and international partners also focuses on the specific habitat needs of North American waterfowl. During the 1980's, duck populations plummeted to record low numbers as a result of decades of wetlands habitat loss and a severe drought that affected major prairie nesting areas of Canada and the north-central United States. To counter this loss of wetlands and reverse duck population trends, the United States, Canada, and Mexico are working together in an historic effort under the aegis of the North American Waterfowl Management Plan. The Plan is a long-term strategy to protect and restore habitat throughout the continent for waterfowl and other wildlife that use wetlands. A broad coalition of partners, known as joint ventures, works to achieve the goals and objectives of the Plan, including conservation organizations, corporations, private individuals, Native American tribes, and local, State and Federal agencies.

Since its inception in 1986, Plan partners in the United States have invested more than $1.26 billion in waterfowl and wetlands conservation. With these contributions, Plan partners have protected more than 1.7 million acres, restored nearly 594,000 acres, and enhanced more than 2.3 million acres of important waterfowl habitat throughout the United States, as reported in the Plan's International Tracking System. The diverse public-private partnerships responsible for these wetlands conservation successes, the Conservation Reserve Program, and generally good wetland conditions in the prairies deserve much of the credit for the recent rebound of waterfowl populations. However, the ever-present threat of habitat loss, uncertain wetland conditions, and socioeconomic pressures will continue to challenge continental efforts to conserve waterfowl into the next century. Taking into consideration these factors, a 1998 update of the North American Waterfowl Management Plan establishes future waterfowl and wetlands conservation goals.

In FY 1998, projects funded under the North American Wetlands Conservation Act's standard grants program protected or restored over 103,000 acres in the United States with the aid of more than $23.4 million in grant funds (including $11.7 million in appropriations) and nearly $66 million in partner funds. Through the partnership of $19.1 million in NAWCA requested funds and $18.6 million in non-Federal U.S. matched funds, more than 889,000 acres were protected and enhanced in Canada. More than 5.7 million acres were affected in Mexico with grant funds of $2.6 million and partner contributions of more than $2.9 million. Mexican projects often include conservation education and management plans affecting large biosphere reserves. Mexico continues to enjoy increased interest in the North American Wetlands Conservation Act program. Greater partner involvement has meant more Act dollars going to fund Mexican projects. The Act's small grants program affected more than 4,800 acres. FY 1998 marks the first year of the small grants program as a non-pilot program with an increased amount of funding made available. Fifteen small grants projects were funded in 1998 with the assistance of $500,800 in grant funds and a significant $4 million in partner funds, an impressive 8:1 partner-to-grant ratio.

Also in 1998, Service biologists surveyed breeding waterfowl in eastern Canada for the third consecutive year. This survey effort is part of what is widely recognized as one of the most comprehensive and reliable wildlife surveys in the world. Each year, American and Canadian biologists cover nearly 2 million square miles of waterfowl nesting areas in Alaska, Canada, and the northern United States, using aerial and ground counting techniques. Toll-free or "1-800" bands were used extensively as part of the waterfowl banding activities in 1998 in order to collect data on banded birds that are recovered.

The Service has a proud tradition of working with its partners throughout the Nation and the world to effect solutions that benefit fish and wildlife resources and the habitat upon which they depend for survival. Within FY 1998, as with every other year before, the Service has enjoyed the increasing support of the Congress, the President, and the American public so that we can all work to benefit our natural heritage. We look forward to continuing to build new and nurture existing cooperative programs so that fish and wildlife management remains a useful and productive tool in conserving our valued fish and wildlife resources for future generations.

To counter the loss of wetlands, the United States, Canada and Mexico are working together to protect North American waterfowl and their habitat.

Wood Duck Drake

USFWS/Glen Smart

W. S. Dean

Performance Accountability

Performance Results and Product Delivery

The Annual Program Performance of the U.S. Fish and Wildlife Service

Legislation over the past two decades has been aimed at improving the financial management and program accountability of Federal Government operations. The Federal Managers Financial Integrity Act of 1982 required Federal agencies to establish accounting and administrative controls to ensure that Federal resources are properly safeguarded and to ensure prompt resolution of financial and program audit findings. Congress passed the Chief Financial Officers (CFO) Act in 1990, with the objective of improving and strengthening financial management and accountability in the Federal Government. The Government Performance and Results Act (GPRA) of 1993 was passed to improve operational efficiency and effectiveness by requiring agencies to define their mission goals and identify long- and short-term program goals through strategic planning, and to measure and evaluate program performance through annual accountability reports to the American people. The Government Management Reform Act (GMRA) of 1994 expanded the CFO Act to establish requirements for the audit of 24 agency wide finance and program activity reports beginning with FY 1996 and for the preparation and audit of a consolidated report for the entire Federal Government beginning with FY 1997, which was submitted to Congress on time on March 31, 1998. Since GMRA, the Federal Government has made substantial progress toward achieving the goals of financial discipline and reporting reliably to the American people on the Government's operations and fiscal condition.

A pilot program under GMRA, under which the Department of the Interior and the Service is participating, has been established by the Office of Management and Budget (OMB) to enhance OMB's authority to manage Executive Agency submissions of their reports to Congress, the President, and OMB. This pilot reporting program consolidates agency reports required under several statutes, including the CFO and GPRA, that focus on financial and program integrity and performance. Accountability reports in this pilot include program and financial information, such as performance measures reflecting performance in meeting key agency goals as well as audited financial statements and narrative.

The Service chose to begin reporting on its progress toward achieving some of its strategic and annual goals this year, as a pilot. Predicted Service performance for FY 1998 is derived mainly from its planning documents and the Strategic and Annual Performance Plans. The first 5-Year Strategic Plan for the Service was completed during FY 1997 and covered planned activities through FY 2002. The Service worked with this plan for a year, weighed views gathered informally from many areas of the Service and listened to advice from both the Department of the Interior and the OMB regarding the scope of the Strategic Plan. In response to the advice received, the Service revised its 5-Year Strategic Plan in FY 1998 to streamline and consolidate the number of goals and performance measures. Of the 12 goals in the newly revised Strategic Plan, the Service will report annual accomplishments under 8 goals for this pilot year, which exceeds the internal 50 percent target set for FY 1998. These 8 goals represent major program reporting segments in the Service, represent a broad array of the type of data collected and analyzed by the Service, and cover all three of the Mission Goals of the Service. Many of the performance measures and supporting data collection methods are undergoing analysis in FY 1998 to establish baselines for performance reporting and many data collection systems are undergoing evaluations to verify data delivery. These actions are taken in anticipation of reporting to the fullest extent on all goals and performance measures in FY 1999.

Below are the Mission, Strategic, and Annual Performance Goals and Measures under which the Service reports this year.

Under each Mission and Strategic Goal, there is a brief description of the actions and strategies that were taken by the Service and its partners to deliver these goals. Predicted performance is compared to actual performance, with a listing of data collected for each measure used to evaluate program performance. Comparative performance data is accompanied by a brief statement explaining whether performance goals were met and, if not, the plans for meeting the goal in the future.

The Service completed its Statement of Net Cost, whereby the Service identifies its expenditures to meet each of the Service's three Mission Goals. Please refer to both sections, the Message from the CFO and the Financial Statements, for detailed information on how the Service identified those costs and allocated them to each Mission Goal.

MISSION GOAL 1. SUSTAINABILITY OF FISH AND WILDLIFE POPULATIONS

Migratory birds, endangered fish, wildlife, and plant species, interjurisdictional fish, marine mammals, and species of international concern are conserved, protected, enhanced, or restored. The Service participates in conservation of other species when its expertise, facilities or lands can enhance state, tribal, local or other efforts.

Service actions to achieve this Mission Goal are dependent on the challenges of ensuring sustainable ecosystems. Service delivery of results under Mission Goal 1 will require effective cooperation across state, tribal, and international boundaries. The men and women of the Service play major roles, working with their partners, in national and international programs to ensure that America's natural resource heritage is conserved and the world's fish and wildlife resources are protected for future generations. Also, because fish and wildlife are mobile, habitat loss, habitat degradation and habitat fragmentation are key factors affecting fish and wildlife populations and, thus are significant factors in the Service being able to achieve its goals under Mission Goal 1. Service efforts will continue and expand, where appropriate, to protect, restore and manage priority habitats in sufficient quantity and quality to meet the needs of fish and wildlife. Habitat quantity and quality priorities are addressed in Mission Goal 2.

Strategic Goal 1.3 - Interjurisdictional Fish

By 2003, 100% of stable interjurisdictional fish populations remain at or above current levels and 3% of depressed populations are restored to self-sustaining or, where appropriate, harvestable levels.

Service actions to deliver this goal include ongoing population surveys or censuses and supporting investigations that increase Service understanding of interjurisdictional fish populations. These investigations identify remnant populations of several species of concern and guide experimental stocking actions necessary to restore or stabilize populations of concern. The Service continues to provide genetic and specialized health screening and analysis services on cultured and wild fish and establish refugia for species of concern. External pressures are particularly challenging because interjurisdictional fish depend on differing geographic ecosystems during different parts of their life history. Problems in one area are magnified throughout the species range. Thus, the Service will focus the National Fish Hatchery System, technology development, and fish health expertise in the Service on achieving this goal.

Annual Goal 1.3.1 - In FY 1998, 100% of stable interjurisdictional fish populations remain at or above current levels and 1% of depressed populations are restored to self-sustaining or, where appropriate, harvestable levels.

Annual Performance

1.3.1.a Develop status and trends baseline for interjurisdictional fish populations by September 30, 1999
Predicted-In Process Actual-In Process

1.3.1.b % of stable interjurisdictional fish populations remain at or above current levels
Predicted-In Process Actual-In Process

1.3.1.c % of depressed populations restored to self sustaining, or where appropriate, harvestable levels
Predicted-In Process Actual-In Process

Database to report status and trends of interjurisdictional fish populations is under development. Performance achieved in comparison to predicted performance. Baseline will be established by September

30, 1999, and actual performance results will be reported for FY 1999.

Strategic Goal 1.4 - Marine Mammals

By 2003, 100% of marine mammal populations over which the Service has jurisdiction will be at sustainable populations levels or protected under conservation agreements.

Service actions to achieve this goal focus on removing significant threats to marine mammals. Such threats include illegal hunting; negligence by motor boat operators, who maim and kill manatees; death due to oil and gas spills and exposure to other environmental contaminants; drowning of sea otters in fishery nets; and naturally occurring diseases. Service law enforcement agents and refuge officers play an important role in educating the public to raise their awareness of the sensitivity of marine mammals to human activities and in protecting marine mammals. Also, enforcing regulations, educating the public on speed boat restrictions, establishing tagging requirements for marine mammal parts, such as walrus ivory, and improving methods for setting fishing nets all play vital protective roles. Law enforcement measures, including inspections at the nation's ports, investigations of illegal hunting and enforcing boat speed restrictions promote conservation necessary to achieve this goal. Also, because polar bears and walrus are highly migratory, international agreements are important in their management. Conservation agreements lay out specific criteria for harvest and take of marine mammals while ensuring their long-term survival.

Annual Goal 1.4.1 - In 1998, 100% of marine mammal populations over which the Service has jurisdiction will be at sustainable populations levels or protected under conservation agreements.

Annual Performance

1.4.1 % of marine mammal populations at sustainable levels or protected under conservation agreements

Predicted-100% Actual-100%

Baseline was established in FY 1998. Performance achieved in comparison to predicted performance. For 1998, performance was measured for 7 non-listed marine mammal populations: Chukchi/Bering seas polar bear, Southern Beaufort Sea polar bear, Pacific walrus, southeast Alaska sea otter; southcentral Alaska sea otter, southwest Alaska sea otter, and northern sea otter in Washington State. Marine mammals that are listed as threatened or endangered species would be included in annual performance goal 1.2.1, which will be reported in FY 1999.

Strategic Goal 1.5 - Species of International Concern

By 2003, 40% of transborder species of international concern over which the Service has jurisdiction will have improved conservation status or be included under a conservation project; and conservation projects for 40 additional priority species of international concern will be initiated.

Global fish and wildlife conservation relies on international cooperation, education and enforcement. The effective contribution the Service can make to deliver this goal is to share its expertise with countries that want to protect their fish and wildlife resources and meet their global obligations under CITIES and other cooperative international conservation agreements. The Service helps to build the united front needed to combat the illegal fish and wildlife trade, to form cooperative alliances among international partners, and to conserve species of international concern.

Annual Goal 1.5.1 - In 1998, 20% of transborder species of international concern over which the Service has jurisdiction will have improved conservation status or be included under a conservation project and conservation projects for 30 additional priority species of international concern will be initiated.

Annual Performance

1.5.1.a # of conservation projects initiated

Predicted-55 Actual-60

1.5.1.b # of transborder international species with improved conservation status

Predicted-15 Actual-15

Baseline was established in FY 1997. In FY 1997, the Service completed 55 conservation projects. In FY 1998, the Service initiated more conservation projects than expected. However, we anticipate that the number of conservation projects will vary from year to year, as a consequence of the complexity and scope of some conservation agreements. The Service believes that this year's performance is well within the acceptable variance (± 10% of predicted targets) for the number of conservation projects that can be initiated in any one fiscal year.

MISSION GOAL 2. HABITAT CONSERVATION: A NETWORK OF LANDS AND WATERS

An ecologically diverse network of lands and waters —of various ownerships— is conserved in cooperation with others to provide habitats for migratory birds, imperiled species, interjurisdictional fish, marine mammals and species of international concern associated with these ecosystems.

Habitat is fundamental for self-sustaining populations of fish, wildlife and plants as well as for functional ecosystems. The Service's goal is to conserve fish and wildlife by protecting and restoring the habitat on which they depend. Habitat is a place to eat, drink, rest, and raise young, year in and year out. The Service has advocated the NWRS and the NFHS as the foundations for ecosystem stability and connectivity throughout the United States. These systems and the habitat they provide for fish, wildlife and plants, because they belong to the American public, are in and of themselves a trust resource of the Federal Government. It is recognized that the NWRS and the NFHS cannot do the job alone. Nearly 70 percent of all fish and wildlife habitat in the United States is in private ownership. There must be a close partnership between the private land owners that feel a strong kinship with natural resources and the Service as we work to improve the conditions for all natural resources. The ability of the Service to meet the identified habitat goals is based in its commitment to bonding efforts on Service lands with those of the private sector to stabilize ecosystems, which in turn helps to prevent species from declining in health and helps the Service meet its species conservation goals. Service priorities needed to ensure the sustainability of fish and wildlife populations are discussed under Mission Goal 1.

Strategic Goal 2.1 - Habitat Conservation on Service Lands

By 2003, meet the identified habitat needs of the Service lands by ensuring that 93,654,000 acres (total acreage managed by the FWS) are protected, of which 3,500,000 acres will be enhanced or restored. In addition, 80% of contaminated cleanup projects on Service lands will be completed according to their original schedule.

The actions the Service will take to deliver this goal include numerous management and protection actions, such as habitat assessment studies to determine habitat quality, habitat restoration studies and on the ground actions to improve habitat parameters for identified species, moist soil and wetland management actions to improve habitat productivity, improved pest management practices to benefit refuge resources, fire management to prevent habitat degradation, law enforcement to prevent illegal use of refuge resources, and other management techniques, such as grazing, mowing, haying, and farming, necessary to meet local resource management goals.

Annual Goal 2.1.1 - In FY 1998, meet the identified habitat needs of the Service lands by ensuring that 93,134,000 acres (total acreage managed by the FWS) are protected, of which 3,298,410 acres will be enhanced or restored.

Annual Performance

2.1.1.a # total acres managed by FWS
Predicted-93,134,000 Actual-93,312,283

2.1.1.b # acres enhanced/restored in NWRS
Predicted-3,298,410 Actual-3,285,800

The achievement of acquisition goals will vary from year to year. The Service believes that the difference in acreage protected in the NWRS, although approximately 180,000 acres or 0.2% more than predicted, is well within the 2% to 3% variance expected for annual estimates for total acres within the NWRS. The Service enhanced or restored 0.4% fewer acres this year than predicted, but is well within the 20% variance that can be expected in any one year. This variance is based on extreme weather conditions, either extreme dry or wet conditions, that can delay enhancement or restoration efforts. As the Service gathers more trends data over the next few years, we can evaluate whether targets set are appropriate, including the expected annual variation that affects annual targets.

Annual Goal 2.1.2 - In FY 1998, complete 80% of contaminant cleanup projects on Service lands.

Annual Performance

2.1.2.a # of cleanup projects scheduled for FY 1998

Predicted-42 Actual-30

2.1.2.b # cleanup projects completed [data reported on annual basis]

Predicted-32 Actual-24

Baseline was established in FY 1997. The Service funded 42 cleanup projects in FY 1998; however, 12 were extensive in scope and were awarded multi-year funding. Thus in FY 1998, the Service funded the number of projects desired, but met its 80% goal with fewer projects scheduled for completion for this fiscal year.

MISSION GOAL 3. PUBLIC USE AND ENJOYMENT

Our citizens and guests have the opportunity to understand and participate in the conservation and uses of fish and wildlife resources.

The nation's ability to sustain ecosystems and the natural heritage of fish and wildlife resources within them will increasingly depend on the public's and our Federal partners active participation in the stewardship of these resources. The Service is committed to providing environmental information so that the public understands how their well-being is linked to the well-being of fish, wildlife and plant populations and their habitats. The Service plans to deliver these goals through continuing its tradition of excellence in interpretive programs and exhibits throughout the NWRS and the NFHS. Private citizens, whose voluntary participation in fish and wildlife protection have laid a foundation on which the Service operates today, have much to contribute to the continuing conservation of fish and wildlife resources. Public and Federal partner acceptance of responsible stewardship is necessary to sustain ecosystems. Public stewardship of fish, wildlife and plant resources should reduce pressure to include habitats only in federal reserves, and should minimize threats to species causing their listing as threatened or endangered under the Endangered Species Act.

Strategic Goal 3.1 - Greater Public Use On Service Lands

By 2003, interpretive, educational and wildlife dependent recreational visits to National Wildlife Refuges and National Fish Hatcheries will have increased by 10%.

Service actions to deliver this goal focuses on increasing refuge and fish hatchery education programs, with an emphasis on specific target groups, such as school aged children or local fish and wildlife group members. The Service will develop and improve public use facilities, such as developing learning centers, increasing access to otherwise remote areas, and providing new and better wildlife dependent recreational opportunities on refuges and fish hatcheries.

Annual Goal 3.1.1 - In 1998, interpretive, educational and recreational visits to National Wildlife Refuges and National Fish Hatcheries increased by 2% annually.

Annual Performance

3.1.1 % increase in interpretive, educational and recreational visits

Predicted-2% Actual-6.6%

Baseline is being established in both FY 1997 and FY 1998. While the goal to increase visits to the NFHS was met as expected and well within accepted variances, the target for visits to refuges greatly exceeded expectations and variances with a significant 6.6% increase in visitation. Because of the visitation figures this year, the Service intends to evaluate trends data starting from FY 1997 to evaluate whether the goal established is conservative for the NWRS, considering the increased interest in refuges generated through enactment of new organic legislation for the NWRS and by intensive outreach initiatives by the Service.

Strategic Goal 3.2 - Opportunities for Participating in Conservation On Service Lands

By 2003, volunteer participation hours in Service programs is increased by 50% and refuges and hatcheries have 91 new friends groups from the 1997 levels.

In delivering this goal, the Service is integrating volunteer activities into its resource management actions. Volunteers conduct fish and wildlife surveys, lead school hikes, help stock fish from hatcheries, maintain equipment and facilities, and staff information desks in visitor centers. The Service hosts workshops and training sessions for volunteers and prospective partners to increase the effectiveness of volunteer partnerships, to strengthen ties with local communities, and to assist in improving the work of existing and new "Friends" organizations.

Annual Goal 3.2.1 - In 1998, volunteer participation hours in Service programs increased by 15% and refuges and hatcheries have 31 new friends groups from 1997 levels.

Annual Performance

3.2.1.a % increase in volunteer participation hours from 1997
Predicted-1,536,098 (15%) Actual-1,396,000 (4.5%)

3.2.1.b # new "friends" groups
Predicted-94 Actual-104

The baseline was established in FY 1997, with 1,335,738 volunteer participation hours and 63 friends groups in the NWRS. The Service did not meet its predicted goal of 15% increase in volunteer hours over those in FY 1997. The target set for this year was based on historical trends in previous years. Achieving less than one-third of expected volunteer hours could be an indication of a condition approaching saturation within the NWRS. For example, saturation could be an indicator that there are more volunteers than NWRS staff can manage and train volunteers. The Service intends to continue to monitor actual versus predicted trends to evaluate whether the target is appropriately set, considering Service resources and volunteer willingness and availability. The Service exceeded its expectations in FY 1998 for establishing new "friends" groups and added 41, 10 more than the expected 31, which is a 32% increase over target performance. The use of the term "friends" groups refers to all refuge and hatchery support groups, which have many names, such as cooperative associations, Audubon refuge keepers, friends, and natural history associations.

Strategic Goal 3.3 - Greater Public Use Off Service Lands

By 2003, 100% of all Federal Aid state grant monies are used consistent with the enabling legislation.

Service actions in delivering this goal include reviewing all grant applications from States, Territories, Commonwealths, and Districts, hereinafter referred to as "States." The Service reviews grant applications to ensure that eligible activities are funded and that proposed projects are substantial in character and design. Federal Aid biologists conduct periodic program reviews in concert with State agencies to ensure funded projects are implemented in accordance with applicable statutes. States prepare annual reports on funded activities to ensure that grant funds are used for project purposes and that purposes are accomplished. The Defense Contact Audit Agency conducts financial audits at each state and territory once during a 5-Year audit period to report on the financial activity of the states grantee. All reviews are coordinated and shared with grant coordinators and resolutions to recommended changes are discussed and resolved cooperatively. In establishing the annual performance goal and the performance measures, the Service makes an assumption that all states initially comply with legislative and individual grant requirements. The audit program then verifies compliance over a 5-year period and the selected performance measures indicate how well the Service meets its fiduciary responsibilities.

Annual Goal 3.3.1 - In 1998, 100% of all Federal Aid state grant monies are used consistent with the enabling legislation.

Annual Performance

3.3.1.a # states & territories eligible to participate in the Federal Grant Program
Predicted-56 Actual-56

3.3.1.b # states found in compliance after audit completion
Predicted-13 Actual-13

The first measure covers the 50 States of the United States plus 6 other U.S. governmental entities: American Samoa, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. Because all 56 States are eligible each year to receive Federal Aid grant funds, the measure remains constant at 56. Although this number will not change, we provide it as a reference point defining the total scope of the audit program to compare annual audit performance. The second measure is the number of States the Service can audit in any one year and to complete the audit cycle over a 5-year period. On average, 11 States could be audited, with one year targeted for auditing 12 States. However, in practice, the number of States that can be audited will vary from year to year because of differences in complexity, difficulty and workload. Current expectation is that the number of States audited will normally vary each year by 20 to 30 percent, or about 3 States, from the steady performance of auditing 11 States annually. Early experience with the audit program suggests that an annual variance of auditing 3 States from the norm provides a range of acceptable performance and allows accomplishment of the goal to audit all 56 States within a 5-year cycle.

The baseline was established in FY 1997 as this was the first full year of audit. However, the first 5-Year cycle over which all 56 States would be audited started in FY 1996. The Service spent part of that year establishing policies, procedures, and plans to guide the audits in future years and because of the startup effort in FY 1997, only 6 States were audited. Annual goals from FY 1997 through FY 2000 have been adjusted to account for this partial year. The next 5-Year audit cycle will begin anew in FY 2000.

The Service accomplished its goal in FY 1998 and well within the 30 percent annual range of acceptable performance to keep on a 5-year audit cycle. During the first 3 years of the cycle (FY 1996-1998), 33 States were audited, leaving 23 States for the last 2 years.

Strategic Goal 3.4 - Greater Opportunities for Participating in Recreational Fishing

By 2003, 100% of mitigation hatchery production requirements are satisfied related to federal water development projects.

The Service is uniquely qualified to deliver this goal through its 100-year history in fish culture and fisheries management. The Service maintains a system of hatcheries, fish health centers, fish technology centers, and fish and wildlife management assistance offices that provide the broad range of expertise and experience to design natural resource mitigation actions necessary to conserve fishery resources that are adversely affected by federal water development projects. The Service has the skills, the facilities, and broad support by user groups and management partners to fulfill this responsibility.

Annual Goal 3.4 - In 1998, 87% of mitigation hatchery production requirements are satisfied related to federal water development projects.

Annual Performance

3.4 % mitigation hatchery production requirements satisfied
Predicted-87% Actual-95%

Performance exceeded predicted target for FY 1998. Performance was measured via Regional solicitation; some Regions gathered data from individual fishery stations, other Regions estimated performance based upon other readily compilable data. Baseline will be established in FY 1999 in the GPRA module for the Fisheries Information System.

32

Stewardship

Stewardship Assets

By law and treaty, the Service has national and international management and law enforcement responsibilities for migratory birds, threatened and endangered species, fisheries and many marine mammals. Also, the Service assists State and Tribal governments and other Federal agencies in protecting America's fish and wildlife resources. Further, the Service manages over 93 million acres in the National Wildlife Refuge System (NWRS) and the National Fish Hatchery System (NFHS). These lands and the fish and wildlife resources they support are valued for their environmental and cultural resources, for their educational and scientific benefits, for their recreational and scenic values, and for the revenue they provide to the Federal Government, States, and Counties.

STEWARDSHIP LANDS

Stewardship Lands and Facilities and Their Locations

The Service manages land in all 50 States, some of the Pacific Islands, the Virgin Islands, Guam, and Puerto Rico. Over 80 percent of the acreage of the Service's land holdings are in Alaska. Lands within the NWRS include 516 refuge units, 199 Waterfowl Production Areas, and 50 coordination areas. Lands and facilities within the NFHS are comprised of 67 hatcheries located within 34 States and 16 other facilities such as Fish Health Centers and Fish Technology Centers. *Figure 1 displays the acres owned by the Service for all its land uses.* These lands are acquired through a variety of methods such as withdrawal from the public domain, fee title purchase, transfer of jurisdiction, donation, gift, exchange, and partial interest through agreements, easements, and leases. *Figure 2 shows the percentage of stewardship lands acquired through these different methods.* Lands are purchased through two primary sources of funding, the Migratory Bird Conservation Fund and the Land and Water Conservation Fund.

The Service may be asked to manage lands, through a mechanism known as overlay refuges, often on active military bases under the Department of Defense or on active energy development facilities under the Department of Energy. Overlay refuges of this sort offer special management challenges to the Service. Some of these refuges or planned transfers to the Service, under the Base Closure Realignment Act, usually have ongoing remedial actions to comply with the Comprehensive Environmental Response, Compensation, and Liability Act. When these lands are planned for transfer, the Service does not have sufficient resources to provide full oversight for document review, participation on interagency planning teams, assistance with potential responsible party searches, oversight and enforcement of hazardous material cleanup, or the equipment to perform site restoration or long-term monitoring of environmental quality.

Service oversight is necessary to guarantee conditions at transfer, fulfill the cleanup responsibilities of the original landowner, and minimize the future liability that could be accepted by or transferred to the Service and/or the U.S. Government. Although the Service attempts to enter into reimbursable agreements with the original Federal landowner, we have not been successful. As a result, the Service incurs estimated annual costs of approximately $1 million to oversee and monitor the effectiveness of remedial actions conducted by other Federal entities prior to transfer to the Service. These costs of overseeing the cleanup actions of other Federal agencies mean that other work, necessary to the immediate mission of protecting and conserving lands already within the NWRS, cannot be performed as planned. Future costs of necessary oversight are not included within the estimate of contingent environmental liabilities shown in the Footnotes to the Financial Statement.

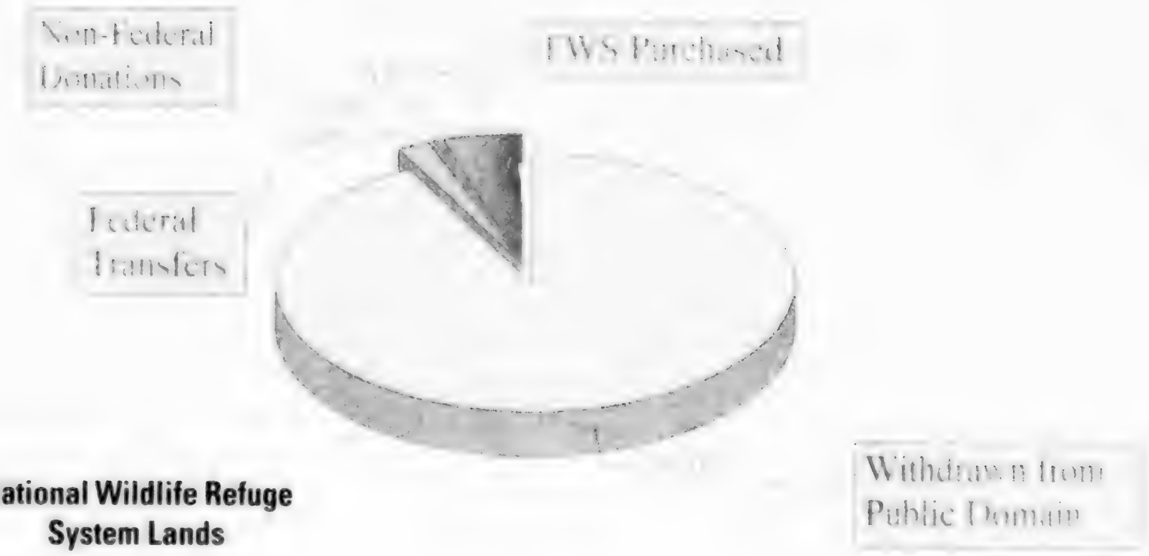
Another stewardship challenge is pollution to Service lands and waters resulting from actions taken by others outside the boundaries of the NWRS and NFHS.

STEWARDSHIP LAND
U.S. FISH AND WILDLIFE SERVICE
ANNUAL STEWARDSHIP INFORMATION
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997
(ACRES IN THOUSANDS)

	1998		1997	
	SITES	ACRES	SITES	ACRES
National Wildlife Refuge System:				
National Wildlife Refuges	516	87,495	512	87,176
Coordination Areas	50	197	50	197
Waterfowl Production Areas	199	704	198	692
Total, National Wildlife Refuge System	765	88,396	760	88,065
Other Land Uses:				
National Fish Hatcheries (67) and Other Fish Facilities (16)	83	14	64	13
Total	848	88,410	824	88,078

Figure 1

Service Acquisitions



National Wildlife Refuge System Lands

Figure 2

Consistent with the interpretation of the Accounting and Auditing Policy Committee (AAPC) of the Federal Accounting Standards Advisory Board (FASAB) Standards effective in 1998, the estimate of environmental contingent liabilities shown in the Notes to the Financial Statement no longer includes the cost of restoring stewardship values or cleaning up resources that are degraded by offsite activities beyond the control of the Service.

Uses of Stewardship Lands

Lands managed within the NWRS are used to conserve and manage fish, wildlife and plant resources for the benefit of present and future generations. The habitat protected is as diverse as the wild things living there. Service stewardship lands protect tundra, grasslands, deserts, forests, rivers, marshes, swamps, and remote islands - virtually every type of habitat and landscape found in the United States. The fish and wildlife that live on refuges are the heritage of a wild America that was, and is. The Service watches over 700 kinds of birds, 220 mammals, 250 reptiles and amphibians, and 200 kinds of fish. They come as flocks, herds, coveys, gaggles, schools, pairs and loners. More than 255 threatened and endangered species are found on Service lands, and it is on refuges and on hatcheries that they often begin their recovery and hold their own against extinction. The Service protects, restores, and manages this fish, wildlife, plant, land, and water heritage. We count it, study it, band it, mark it, and reintroduce it and we let wildlife come naturally by managing its home and its habitat. On many refuges the Service must restore what was ditched, drained and cleared, and actively manage wetlands, grasslands, forests, and to a lesser extent, croplands to provide the variety of habitat needed by diverse fish and wildlife species. Control of invasive and exotic pest plants and animals is essential in order to retain or restore native fish, wildlife, and plants. About 3.2 million acres of NWRS lands are restored and enhanced each year. While the needs of fish and wildlife must come first, most refuges welcome those who want to enjoy the natural world, to observe or photograph wildlife, to hunt or to fish, or to study and learn about wildlife and their needs.

Stewardship of the Nation's fishery and aquatic resources, through the NFHS, has been a core responsibility of the Service for over 120 years. Although the Service does not own all the lands and facilities in the NFHS, the Service participates in managing units within the NFHS, which is comprised of National Fish Hatcheries, Fish Health Centers, and Fish Technology Centers. Many of our hatcheries serve as outdoor laboratories for school groups, environmental organizations, and universities. Visitor Centers on many hatcheries provide public education opportunities for the approximately three million visitors each year. Fish Health

Black-tailed Prairie Dog - Wichita Mtns NWR USFWS/Elise Smith

American Lotus - Okeefenokee NWR USFWS/Elise Smith

Lands managed by the Service are used to conserve fish, wildlife and plant resources for the benefit of present and future generations.

Centers focus on cooperative work conducted by Federal, State and Tribal fishery managers to identify and control fish pathogens and diseases, particularly in wild stocks. Fish Technology Centers emphasize scientific management of fish stocks and aquatic communities by improving technologies in fish propagation, broodstock management, stock assessment, and aquaculture. NFHS lands also provide refugia, technology development and captive propagation for over 34 species of threatened and endangered plants and animals, from Texas wild rice to Wyoming toads to Ozark cavefish. In addition to conservation, restoration, and management of fish and wildlife resources and their habitats, the NFHS provides recreational opportunities to the public, such as fishing, hiking, and birdwatching.

All programs contributing to stewardship actions on Service lands are tied to supporting the Service's mission — 'working with others to conserve, protect and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people.' The Service also recognizes the role that our Federal, State, Tribal, and private partners play in building on the successes realized by the Service in conserving stewardship resources.

Revenue from Stewardship Assets

The NWRS collects entrance and recreation use fees at selected stations where there is a practical means of collecting fees for fish and wildlife dependent recreation. During FY 1998, approximately $3.3 million were collected, of which over 85 percent is returned to the refuges that collected these fees to enhance visitor services at those refuges. Also, the Service makes payments to counties in which Service lands and holdings are located. Funding for these payments is derived from a combination of annual appropriations and revenues generated through the sale of products from Service lands incidental to habitat management, such as timber and oil and gas receipts. Payments to counties in FY 1998 totaled $17,333,001 which is 66.2 percent of full entitlement.

Further, the Service provides assistance to the States, Territories, Commonwealths, and Districts, hereinafter referred to as "States," through the Sport Fish Restoration Account and the Wildlife Restoration Account. These funds restore, enhance, and manage sport fish and wildlife resources. Assistance to States is made possible through excise taxes paid by anglers, hunters, and recreational shooters and boaters. Apportionments of Sport Fish and Wildlife Restoration funding for the States totaled $426,836,814 in FY 1998. In addition, approximately $9.4 million was made available this year to coastal States through Coastal Wetlands Conservation Grants awarded by the Service, which help

Net/Tag Green Sea Turtle USFWS/Hollingsworth

Co-op with Masked Bobwhite
USFWS/Hollingsworth

achieve the goals of the National Wetlands Priority Conservation Plan.

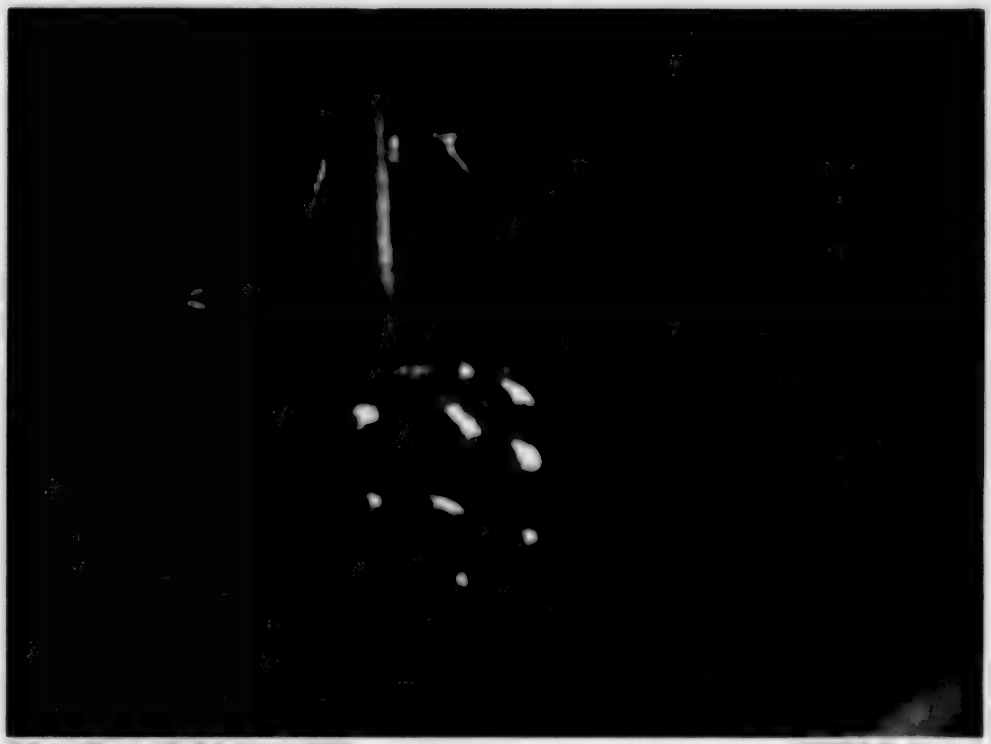
The Federal Aid in Sport Fish Restoration and the Federal Aid in Wildlife Restoration Programs, administered by the Service, have been the mainstays of State fish and wildlife resource management efforts. Excise taxes, collected from manufacturers of equipment used in hunting and fishing, sport shooting on ranges, and on motorboat fuels, are deposited into trust funds for investment and then, after appropriate deductions, are apportioned to each State. The last 5-year average apportionment to the States is over $183 million for wildlife and more than $223 million for sport fish restoration. During FY 1998, the Service made even more money available for fish and wildlife resource management in the States through such internal management actions as increasing collections and consolidating investments. Also, in FY 1998 the Transportation Equity Act for the 21st Century was enacted. This law will provide the 35 million anglers and 71 million boaters of America with an additional $1.2 billion over the next seven years for sport fish restoration activities. This is not a gift from Congress, but rather is the model "user-pays, user-benefits" program, which combines revenue from motorboat and small engine fuels taxes with excise taxes on fishing tackle, electric trolling motors, flasher-type sonar fish finders, and import duties on fishing tackle and pleasure boats. The majority of these funds are subsequently distributed to the States for fisheries management and restoration.

Net Change in Stewardship Land Acreage from 1997 to 1998

The Service has a net gain in stewardship lands of 319,000 acres. These 1998 acquisitions provide permanent protection for valuable wetland, riparian, coastal and upland habitat for fish, wildlife and plant species, including threatened and endangered species.

Four new refuges were added to the NWRS in FY 1998. Waccamaw NWR in South Carolina, part of an historic rice plantation of the 1700's, is located in a coastal river ecosystem offering diverse habitats for threatened and endangered species, freshwater and anadromous fish, migratory birds, and forest wildlife. Silvio O. Conte NWR, named for a conservationist and member of Congress for over 30 years, spreads into four States, Massachusetts, Connecticut, New Hampshire and Vermont. This refuge conserves diverse fish and wildlife habitats, represented by wetlands, bogs, floodplain forests, salt and freshwater marshes, alpine meadows, and glacial sandplains. Clarks River NWR protects a valuable bottomland hardwood wetland ecosystem, including wintering habitat for migratory waterfowl, nesting habitat for wood ducks, and opportunities for wildlife-dependent recreation. Blackfoot Valley Wildlife Management Area conserves one

Service stewardship lands protect virtually every type of habitat and landscape found in the United States.



Salmon Berry - Kodiak Island NWR **USFWS/D Menke**

Through additions to the NWRS and the NFHS, the Service is committed to the preservation of biodiversity and the management of resources on an ecosystem basis.

of the last undeveloped, low-elevation river valley ecosystems in western Montana. This refuge protects rare and endemic plant communities and 600 native vascular plants, as well as sandhill cranes, nesting and wintering bald eagles, and a wide range of wetland species.

Three new fish hatcheries were added to the NFHS in FY 1998. They are the Dworshak National Fish Hatchery in Idaho, the Livingston Stone National Fish Hatchery in California, and the San Marcos National Fish Hatchery and Technical Center in Texas. The San Marcos National Fish Hatchery and Technical Center was donated and the Service owns it in fee simple. There are no real property transfers associated with adding Dworshak and Livingston Stone hatcheries to the NFHS. All three of these new hatcheries will increase the Service's ability to conserve and restore aquatic resources. They will recover listed or candidate species, restore degraded ecosystems, fulfill mitigation obligations, and provide technical fisheries assistance to Tribes and States.

White-tailed Deer, Buck

USFWS/George Gentry

Through these new additions and through the conservation of all units in the NWRS and the NFHS, the Service is committed to the preservation of biodiversity and the management of resources on an ecosystem basis. Land acquisition and balancing of NWRS and the NFHS resources are important tools used by the Service for attaining these goals.

Condition of Stewardship Lands

The Service has stewardship responsibilities for stewardship lands and associated heritage assets, which are interdependent with the condition of the fish, wildlife and plant resources that depend on Service stewardship assets for their well-being and, in some cases, their survival. Service resources, including stewardship lands, are managed or maintained in a state or condition so that fish and wildlife resources are conserved and protected for the continuing benefit of Americans and in a manner consistent with the requirements of conservation designations.

Stewardship lands managed by the Service include refuges, fish hatcheries, wilderness areas, National Natural Landmarks, Wild and Scenic Rivers, and other special designations and are used and managed in accordance with the explicit purposes of the statutes authorizing their acquisition or designation and directing their use and management. The Service conducts activities to manage stewardship lands so that fish and wildlife and plants dependent on these lands for habitat are benefitted over both the short- and long-term. Lands placed in the land conservation systems managed by the Service are protected into perpetuity as long as they remain in the NWRS and the NFHS. As new acquisitions enter these conservation systems, lands are managed to maintain their natural state, to mitigate adverse effects of actions previously conducted by others, or to enhance existing conditions to improve benefits to fish and wildlife resources. The Service safeguards the stewardship values of the lands it administers through management actions taken on individual refuges and hatcheries; however, such actions are taken in consideration of the needs and purposes of entire conservation systems, the NWRS and the NFHS. The NWRS and the NFHS are conservation systems that provide integrated habitat and life support for both permanent resident populations and for migratory populations needing temporary stopover sites to rest, breed, feed, and to survive nationwide and, in some cases, worldwide seasonal migrations. While some individual units of stewardship lands can be improved at any time during their management cycles, the condition of the stewardship assets as a whole, protected by inclusion in both the NWRS and the NFHS, is sufficient to support the mission of the Service and the statutory purposes for which these conservation systems were authorized.

HERITAGE ASSETS

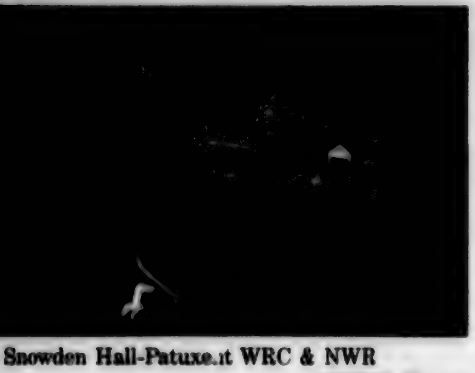
Some of the Service's stewardship assets fall into the category of heritage assets. Heritage assets include those lands managed by the Service that carry overlay or special designations authorized by Congress, the President, the Secretary of the Interior or by conventions of national or international stature. Thus, heritage assets also include Wilderness Areas, Wild and Scenic Rivers, National Natural Landmarks, and Wetlands of International Importance. Such lands managed by the Service protect valuable natural and cultural resources in every State and a number of U.S. territories and possessions. With over 800 field stations located in far-flung and diverse landscapes such as the North Slope of Alaska, tropical U.S. territories in the Pacific Ocean, along North America's great rivers, and in Puerto Rico and the Virgin Islands, the Service manages over 93 million acres of wetlands, riparian habitat, and uplands. The protection of these lands benefits not only the nation's fish and wildlife populations, but helps preserve important elements of our past and cultural diversity. The condition of all lands managed by the Service, including those lands represented by special designations of national or international importance, and defined as heritage assets, are discussed in previous paragraphs as well as in this section. Special designations are managed or maintained in a manner that preserves the values that qualified these lands for their special designations. Thus, their condition is maintained to preserve their special designations, which are described in this section. The status and condition of cultural resources, museum collections,

Horse Drawn Sled

USFWS/Steve Chase

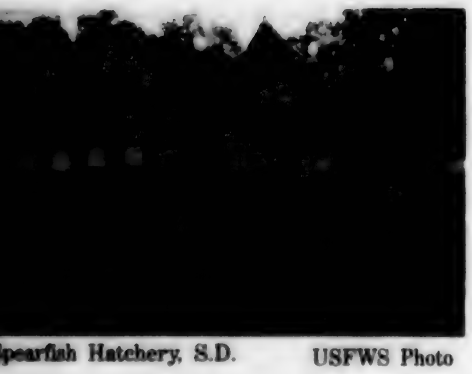
Heritage assets are those lands, buildings and structures, and associated resources recognized for their ecological, cultural, historical and scientific importance. Heritage assets also include cultural resources, such as archaeological resources and historic properties, and museum collections derived from lands and facilities managed by the Service.

Service resources are conserved for the continuing benefit of Americans in a manner consistent with conservation designations.



Snowden Hall-Patuxent WRC & NWR
USFWS Photo

The condition of all facilities managed by the Service, which includes heritage assets, are in poor condition and in need of repair because of limited maintenance funding.



Spearfish Hatchery, S.D. USFWS Photo

and facilities defined as heritage assets are discussed below.

Condition of Heritage Asset Facilities

Heritage assets are defined as property, plant and equipment of historical, natural, cultural, educational, or artistic significance. The Service defines those sites and facilities under its administration that have nationally recognized historical or cultural designations as heritage assets. For purposes of discussing the condition of facilities defined as heritage assets, the Service recognizes only those sites holding national designations as "heritage assets." Sites managed as eligible for listing or other national designation are excluded. However, as sites move from a status of "eligible" to "designated," this estimate of condition will be revised to include such newly recognized designations.

A measure of condition for facilities is a ratio of the estimates of deferred maintenance needs to the replacement value of such facilities, which provides an index of condition. Estimates of deferred maintenance needs represent the maintenance needs for Service administered sites that have not been funded for at least one year. The replacement value is the estimate for replacing these facilities in today's costs. The Service has 9 sites listed as National Historic Landmarks and 93 sites on the National Register of Historic Places. For the 102 sites nationally designated, the Service estimates that approximately $95 million or 10% of the aggregate estimate of deferred maintenance needs for facilities and equipment in the NWRS and the NFHS is dedicated to deferred maintenance needs of the units containing heritage assets.

Please refer to the Notes to the Financial Statements for a comprehensive discussion of the deferred maintenance needs of all property, plant and equipment managed by the Service within the NWRS and NFHS. From the information in this Note, the Service concludes that the infrastructure and equipment that support the mission work of the Service is suffering from accelerated deterioration. The condition of all facilities managed by the Service, which includes heritage assets, are found to be in poor condition and in need of repair in order to improve their condition.

Cultural Resources

Lands managed by the Service are particularly important for protecting significant sites associated with the nation's prehistory and history. By closely examining their geographic distribution, an obvious pattern unfolds. Service lands are located along major river corridors, coastal areas, or in association with wetlands and North America's migratory bird flyways. These same have been used by humans for thousands of years for transportation, settlement, and subsistence. These resources contribute important information on changes to habitat and wildlife over time and offer fish and wildlife conservation partnership opportunities with local communities and tribes.

As of FY 1998, the Service documented over 11,000 archaeological and historic sites on a small percentage of its lands and estimates that it is responsible for tens of thousands of additional sites yet to be identified. Cultural properties range in age and type from Victorian-era historic buildings on the D.C. Booth Historic Fish Hatchery in South Dakota, to 19th century lighthouses along the rugged coast of Maine, to enormous prehistoric earthen mounds on the Rice Lake National Wildlife Refuge in Minnesota, to segments of the Oregon and Mormon National Historic Trails on the Seedskadee National Wildlife Refuge in Wyoming. Cultural properties managed by the Service reflect our Nation's rich heritage and diversity.

Of the total number of known cultural resources, an estimated 93 sites or districts have been listed in the National Register of Historic Places, while an additional 409 are considered eligible for listing. The Service also manages 9 National Historic Landmarks designated by the Secretary of the Interior to protect and recognize sites of exceptional importance. Approximately 188 buildings and structures are considered eligible for listing in the National Register.

Inventories and records of archaeological and historic sites are maintained by each Service Regional Office for field stations under its jurisdiction. Servicewide information on the number and status of archaeological properties is summarized each year for the Secretary of the Interior's report to Congress required by the Archaeological Resources Protection Act.

The physical condition of cultural resources managed by the Service varies tremendously, depending on location, maintenance, use, and type of resource. While no comprehensive assessment is available, the Service is developing

Earthwatch - Cultural Resources in Refuges

The Service undertook a number of important cultural resource projects on its lands during FY 1998. On the Malheur NWR in Oregon, the Service sponsored an Earthwatch Student Challenge program to identify and record archaeological sites and rock art. The project served as a scientific training program for exceptional students and resulted in new information on the prehistoric use of the area by Native Americans.

Earthwatch 98 at Mahheur NWR - Earthwatch Team USFWS Photo

Earthwatch 98 at Alaska Maritime NWR - Archaeology Team USFWS Photo

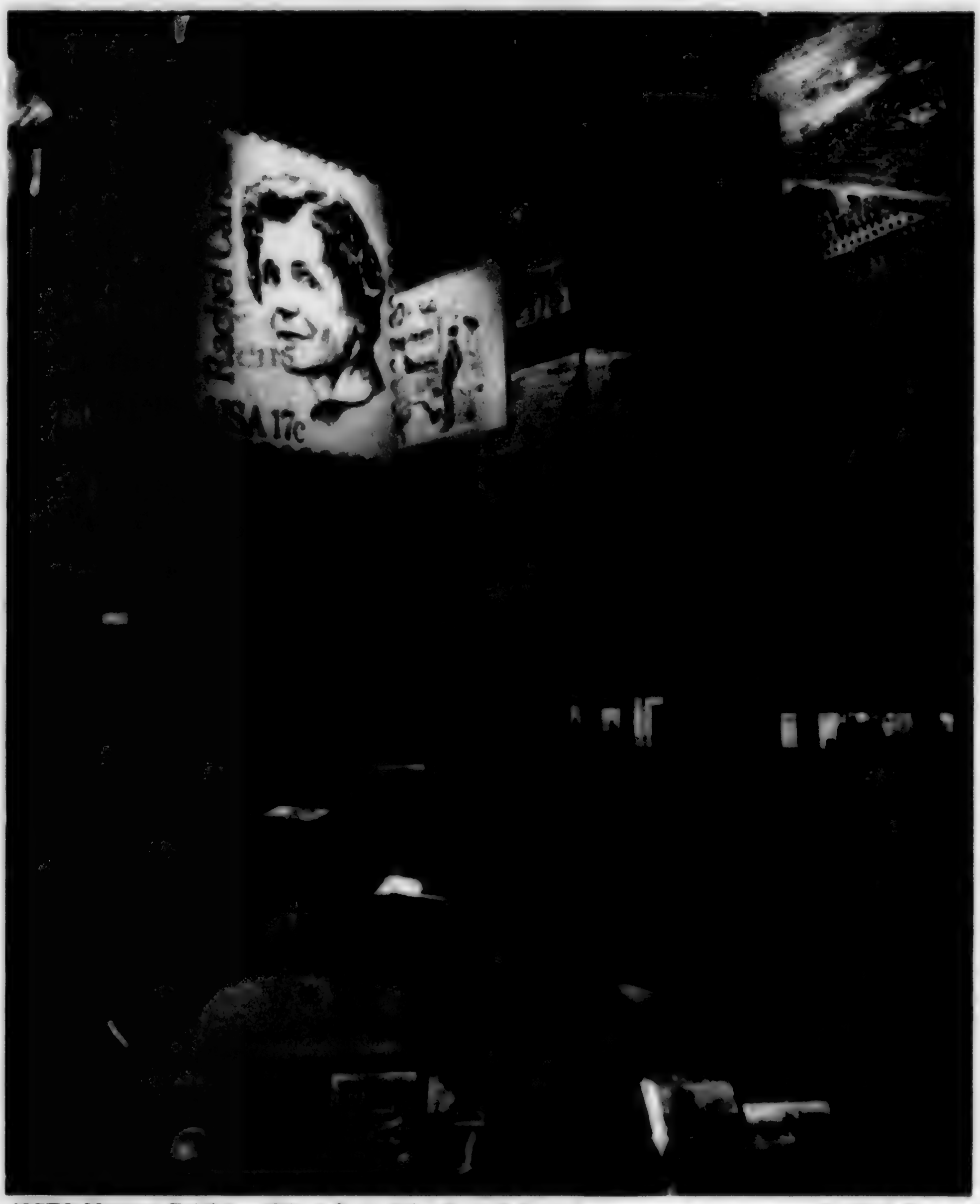
Another Earthwatch project focused on reconstructing the environmental history of the Alaska Maritime NWR. As part of a multi-year program in conjunction with the Smithsonian Institution, a team of researchers excavated sites, which provided new information on changes to bird and marine mammal populations over a four thousand year period.

guidance and criteria to begin collecting information. The Service estimates that a minimum of 10 years is required to assess the condition of identified cultural resources under its jurisdiction.

Museum Collections

Service museum collections consist of approximately 3.2 million objects maintained in 149 offices or on loan to over 200 non-Federal repositories for study and long-term care. Collections consist of archaeological materials excavated from Service managed cultural resources; paleontological collections; objects and documents associated with the agency's history; and wildlife, fisheries, and botanical specimens. Service collections are used for educational and interpretive programs, research on changes to habitat and wildlife, and maintaining the history and traditions of the Service's programs and employees.

A new museum at the National Conservation Training Center in Shepherdstown, West Virginia, is dedicated to interpreting the history of the conservation movement and the Service. The museum depicts a time line journey from the pre-Columbian to modern eras, focusing on three chapters in America's relationship to its natural resources – discovery; exploitation and abuse; and conservation and stewardship. The museum and satellite displays throughout the center showcase notable conservationists such as Aldo Leopold, Jay N. "Ding" Darling, Theodore Roosevelt, and Rachael Carson. Displays in the museum interpret the efficient use of natural resources by Native Americans, spotlight the era of market hunting and species extinction, and forecast the future



NCTC Museum Exhibit - "Silent Spring" by Rachel Carson USFWS Photo

NATIONAL EAGLE AND WILDLIFE PROPERTY REPOSITORY

For hundreds of years, Native Americans have used eagle feathers for religious and cultural purposes, including healing, marriage, and naming ceremonies. In recognition of the significance of these feathers to Native Americans, the Service established the National Eagle Repository to provide Native Americans with the feathers of golden and bald eagles for religious purposes. Many eagles die as a result of electrocution, vehicle collisions, unlawful shooting and trapping, or from natural causes. The eagles are shipped to the Repository, where their condition and feathers are noted, and their species and age recorded.

Requests for eagles are filled on a first-come, first-served basis. Only enrolled members of a Federally recognized tribe can obtain a permit authorizing the receipt and possession of eagles or eagle parts. Because of the large demand for eagles or eagle parts, and the limited supply available, applicants can wait up to 2½ years for an order to be filled.

In addition to housing eagles and eagle parts for distribution to Native Americans, the Repository also serves as the central location for wildlife (excluding live) and plants seized by Service special agents and wildlife inspectors. The Repository currently houses over 400,000 items, which include preserved sea turtles, sea turtle shell jewelry, whole elephant tusks, rhino horns, sea otter pelts, leopard skin coats, crocodile skin handbags, exotic ivory carvings, rare butterfly mounts, and oriental medicinals purporting to contain tiger bone, bear gall bladders, and deer antlers. In FY 1998, the Repository received 837 boxes of wildlife property, consisting of 46,365 items, and transferred them to educational institutions throughout the Nation to raise public awareness of wildlife laws and Service conservation actions.

f conservation in an era of increasing world population, including a constant pdate of the planet's human population igures. Visitors are encouraged to sign he electronic register, a promise to help ustain the stewardship of our natural esources and wildlife.

he Service continues to accession new nuseum collections each year, primarily s a result of the scientifically controlled xcavation of archaeological sites on its ands. The overall condition of Service nuseum collections is adequate to good. ver 70% of the Service's collections are naintained on loan by museums and other nstitutions. The Service ensures that hese collections are safeguarded through ompliance with the Secretary of the nterior's curation standards found in 36 FR 79. Institutions must maintain the ppropriate environmental, record-eeping, and security controls in order to ualify for maintaining Federal collections. oan agreements signed by the Service nd institutions create the basis for nsuring the perpetual care of these aluable materials.

Alligator in Suwanee Canal - Okefenokee NWR

USFWS/Joe Doherty

nformation standards for tracking the cation, provenance or origin, and condition of museum collections are addressed by Service policy and data standards released in FY 1998. In an effort to assist field stations in managing their collections, the Service released a new museum property software package for tracking essential information and preparing annual reports. The Service estimates that it will require a minimum of ten years to account fully for its museum collections according to current standards.

Special Designations

The National Wilderness Preservation System was created by the Wilderness Protection Act of 1964. Congress designates wilderness areas to assure that increasing populations of people, expanding settlement, and growing mechanization do not occupy and modify all areas of the United States. Designations ensure that lands in the Wilderness Preservation System are preserved and protected in their natural state. Wilderness is where the earth and its community of life are untrammeled by human beings and where humans themselves are visitors who do not remain. Of the approximately 104.7 million acres in

Heron Pond in Cache River Wetlands - Cypress Creek NWR USFWS/Kim Harris

The Service manages each of the 15 Wetlands of International Importance located in the United States.

the Wilderness Preservation System, the Service manages 75 wilderness areas encompassing 20.7 million acres in 26 States. This total represents approximately 20% of the National Wilderness Preservation System. These lands and resources are kept in their natural state and protected from man made disturbances and, as such, the condition of these lands are maintained so as to preserve the natural qualities for which they were originally designated. Although mostly located in the Western United States and Alaska, the Service manages a number of wilderness areas in the East including the vast Okefenokee Wilderness Area in Georgia and the Brigantine Wilderness Area in New Jersey.

At 353, 981 acres, the Okefenokee Wilderness Area comprises almost 90% of the entire Okefenokee National Wildlife Refuge. It is the largest FWS managed Wilderness Area east of the Mississippi River, and includes open-water marshland, broad-leafed hardwood/cypress forest, shrub-scrub habitat, and upland island forests that provide valuable habitat for numerous species of fish, wildlife and plants. Public use along the 121 miles of designated boat trails includes fishing, boating, wildlife observation, and overnight wilderness canoeing.

The Brigantine Wilderness Area is part of the Edwin B. Forsythe National Wildlife Refuge in New Jersey. Its 6,681 acres of pristine estuarine saltmarsh and coastal barrier islands provide critical habitat for three endangered species of birds (piping plover, least tern, and black skimmer) and numerous other marsh and shorebirds. Portions of the wilderness are open to hunting, trapping, boating, and fishing.

Information on wilderness areas is reported for each fiscal year in the Service's *Annual Report of Lands Under Control of the U.S. Fish and Wildlife Service.* Wilderness areas contribute significantly to the Service's primary mission and to the purposes for which the NWRS was authorized by helping to sustain healthy ecosystems and wildlife habitat.

For a river to be eligible for the National Wild and Scenic Rivers System, it must be in a free flowing condition and it must possess one or more specific value, such as scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similarly unique characteristics worthy of preserving. Wild and Scenic eligibility studies are presented to Congress with a Presidential recommendation, where final designation is decided by Congress. There are 154 rivers containing 178 river segments included in the National Wild and Scenic River System and each mile designated is classified as either wild, scenic, or recreational. The total system encompasses 10,815 river miles of which the Service manages segments of eight Wild and Scenic Rivers totaling an estimated 1,415 miles in length. These rivers are destined to always run wild and free as long as they remain in the Wild and Scenic Rivers System and, as such, the condition of these lands and waters are maintained so as to preserve the natural qualities for which they were originally designated. Examples include the 285

Brown Pelican Chicks USFWS/Jerry Via

Eastern Shore of Virginia NWR

mile long Ivishak River managed as part of the Arctic National Wildlife Refuge in Alaska and a 5-mile segment of the Niobrara River that flows through the Ft. Niobrara National Wildlife Refuge in Nebraska.

National Natural Landmarks are management areas having national significance as sites that exemplify one of a natural region's characteristic biotic or geologic features. Sites must be one of the best known examples of a unique feature and must be located in the United States or on the Continental Shelf. The 43 National Natural Landmarks, managed entirely or in part by the Service, contain important ecological or geological features deserving protection and further study. These areas, which encompass roughly 3.5 million acres, have been maintained relatively free of human disturbance for long periods of time and thus approximate a stable natural environment. This condition preserves the natural qualities for which they were originally designated. National Natural Landmarks are designated by the Secretary of the Interior because they possess characteristics of a particular type of natural feature, have not been seriously disturbed by humans, contain diverse or rare natural features, or possess outstanding scientific values and educational opportunities. An example is the Mount Veniaminof NNL on the Alaska Peninsula NWR that is an important breeding ground for caribou and the only know glacier in North America with an active volcano in its center.

Adopted in 1971, in Ramsar, Iran, the Convention on Wetlands of International Importance provides a framework for the conservation of wetlands worldwide. Marsh, fen, peatland, or water — static or flowing; fresh, brackish or salt — even riparian or coastal zones adjacent to wetlands are included in and protected by the Ramsar Convention. Ramsar recognizes the special value of 775 Wetlands of International Importance located throughout 93 countries in the World. The Service is instrumental in managing each of the 15 Wetlands of International Importance located in the United States and, as such, the conditions of these lands and waters are maintained so as to preserve the natural qualities for which they were originally designated. For example, the Cache River-Cypress Creek Wetlands in the Cypress Creek NWR, is managed under partnerships among the Service, the State of Illinois, and the Nature Conservancy to restore the heart of the Cache River Basin. The site was selected because of its critical breeding and wintering grounds and because it provides a stopover for migratory waterfowl and shorebirds using the Mississippi flyway. Other species benefitting from these wetlands are native hardwood forests and individual trees of exceptional age.

The Western Hemisphere Shorebird Reserve Network (WHSRN) is a program for international shorebird conservation coordinated by Manomet, Inc., a nonprofit conservation organization that promotes education and research. WHSRN conserves shorebirds and their habitats throughout the Western Hemisphere by fostering collaborate efforts among State and federal agencies, conservation groups and the public. The Service has a long history of cooperative efforts with WHSRN, particulary through the NWRS, which is vital to the conservation of shorebird resources. Nineteen WHSRN sites are managed within either refuges or waterfowl management areas of the NWRS and their condition is maintained to preserve the values for which these areas were originally designated. Of these 19, the Service manages 4 Western Hemisphere Shorebird Reserves that have Regional status, 7 with International status, and 8 with Hemispheric status. The sites range throughout the United States from Prime Hook NWR in Delaware to Stillwater WMA in Nevada to San Francisco Bay NWR in California. The Eastern Shore of Virginia NWR is part of the WHSRN. This refuge is situated at the tip of the funnel created by the Delmarva Peninsula and is a favored stopping point during migration for the thousands of shorebirds. Also, the Eastern Shore of Virginia NWR hosts the State's largest Brown Pelican and Royal Tern nesting colonies.

The Service has a long history of cooperating with the Western Hemisphere Shorebird Reserve . . .

Royal Tern Colony - Eastern Shore of Virginia NWR USFWS/Jerry Via

. . . Network, a program for international shorebird conservation education and research.

Overview of Financial Results of Service Operations

In accordance with the Chief Financial Officers Act of 1990, the Service annually prepares financial statements of position. Accordingly, the following financial statements display the financial position and net cost of operations for the Service during FY 1998.

Analysis of Revenues and Financing Sources

In FY 1998, the Service's total financing sources amounted to$1.420 billion, which is approximately a 10% increase from the FY 1997 level. The primary financing source for the Service is Congressional appropriations. Appropriated funding supports the Service's core natural resource programs, such as endangered species and habitat conservation, and operations and maintenance for National Wildlife Refuges and National Fish Hatcheries. In FY 1998, the Service's appropriations from the Congress increased by 14% from the FY 1997 level of $1.209 billion to $1.384 billion.

The second significant category of revenue that the Service utilizes is non-exchange revenue. The use of these revenues is restricted for specific purposes by statutes authorizing the revenue source. Therefore, these funds are not used for general operations. Among the types of non-exchange revenues the Service receives are receipts from excise taxes relating to migratory bird hunting activities and interest earned from investments of excise taxes on firearms and ammunition. The Service collects fines and penalties levied by the courts on those apprehended in the illegal possession or trafficking of fish, wildlife and plants. Additionally, the Service is authorized to receive monetary contributions to fund conservation activities. In FY 1998, the Service's non-exchange revenue decreased by 3%, from $104 million to $101 million.

Deferred Maintenance

This year we report on our estimates of deferred maintenance needs for the facilities and infrastructure that support the mission work of the Service. Deferred maintenance includes the repair, rehabilitation or replacement of facilities that was not performed when it should have been because of insufficient budgets, growth of the infrastructure without a commensurate growth in operations and maintenance funding, and competition for resources from other programs needs. In the Footnote to the Financial Statements, the Service discloses a future liability estimated at approximately $750 million, plus or minus 15%, placing our estimate within a range between $640 million to $865 million for deferred maintenance in both the National Wildlife Refuge and the National Fish Hatchery Systems. These two systems, individually and in the aggregate are in poor condition, as measured by the Facility Condition Index, which is a commonly used industry measurement of facility condition. The average estimate within the range indicates that a one-time funding initiative of approximately $750 million would be required to raise the condition of Service operating assets from poor to good. Based on the replacement estimates for existing facilities, the Service would require an annual maintenance budget higher than current or projected levels to maintain these assets in fair or good condition.

The replacement values for the NFHS infrastructure ($800 million) and for the NWRS infrastructure ($4.5 billion) are undergoing revision by the Service. Replacement values for NFHS resources were originally estimated in 1992. Since the figure has been revised periodically over the past six years based on inflation and the Consumer Price Index, the NFHS is in the process of updating and verifying this estimate to make it current. Replacement values for NWRS resources are historical estimates originating over 15 years ago and revised periodically based on substantial growth of the NWRS and inflation and are the best available data by which to assess the aggregate condition of NWRS resources. Using these figures, the Service estimates the total replacement value of Service operating assets to be at $5.3 billion this year. Private sector or industry standards suggest that no less than 2% to 4% of the total replacement value of the asset should be expended annually for proper maintenance. Under this guideline, the Service would require an annual maintenance budget of at least $106 million in order to properly maintain the existing infrastructure of the NWRS and the NFHS. New additions to Service infrastructure will require commensurate increases to the maintenance budget of the Service to prevent increases in deferred maintenance.

Currently, Service maintenance budgets are increasing, but are still less than half of the annual estimated needs to assure that Service operating assets are maintained properly. We estimate that existing Service infrastructure, under accelerated deterioration, will remain in poor condition without significant budgetary resources to improve their condition. As a result of not receiving sufficient operations and maintenance funding, the Service, by default, may consider either closing facilities or reducing public access to these resources, neither of which is a desirable management action by the Service. The Service has established a priority goal in its newly revised 5-Year Strategic Plan to complete an evaluation of replacement values for NWRS infrastructure by FY 2000, which will help the Service meet its conservative goals for infrastructure improvements by FY 2003. When met, these conservative goals will help the Service raise the condition of its operating assets from poor to fair.

Equipment Replacement

Although the estimates for deferred maintenance exclude associated equipment, the Service is tracking equipment maintenance and replacement needs in much the same manner as facility condition and maintenance. Equipment includes physical resources fixed to a facility or building and integral to its operations and "non-fixed" or portable physical resources (e.g., heavy equipment, transportation equipment and vehicles, small portable tools, computers and office equipment, and shop, lab, security, communications or other operational equipment). The equipment that the Service tracks are those that need repair, rehabilitation, or replacement to bring them up to acceptable operating condition necessary for the Service to carry on its mission and to conserve resources for which the Service has stewardship responsibility. The Service has determined that much of its equipment is in poor condition and, thus, in need of repair, rehabilitation or replacement.

Estimating the equipment backlog for the NWRS and the NFHS requires specifying equipment parameters and seeking competitive prices among differing vendors. As such, estimates may vary by 10% above or below the discrete number provided. However, the Service uses the median number within the range as the best estimate of the existing equipment backlog. The median estimate for the equipment backlog for the NWRS is approximately $150 million and for the NFHS is approximately $15 million, with a combined total of approximately $165 million. On average, a one-time funding initiative of $165 million would be required to raise the condition of Service operating equipment assets from poor to an acceptable operating condition. Based on historical trends in annual maintenance budgets, the Service would require higher than current projected funds to maintain these assets in operating condition. The equipment backlog is an estimate of replacement cost. Private sector or industry standards suggest that no less than 2% to 4% of the total replacement value of the asset should be expended annually for proper maintenance. Under this guideline, the Service would require an annual equipment maintenance budget of at least $3.3 million in order to properly maintain equipment managed by the Service. New additions to Service infrastructure and staff will require commensurate increases to the maintenance budget of the Service to prevent increases to the equipment replacement backlog.

Environmental Cleanup Liabilities

In the Footnote to the Financial Statements estimating environmental cleanup liabilities, the Service did not include the costs of restoring stewardship values or fish and wildlife resources that are degraded by offsite activities beyond the control of the Service. This determination is required by Technical Release No. 2 of the Accounting and Auditing Policy Committee (AAPC) established to interpret FASAB Standards.

As a result, the Service may have additional future costs associated with restoring stewardship values or fish and wildlife resources. This is important to the Service because many refuges and fish hatcheries are at the lower ends of watersheds throughout the Nation and, as such, Service lands serve as "collection basins" for pollutants and contaminants originating further upstream. Although the Service has legal means by which to seek compensation from polluters for damages to natural resources resulting from exposure to such contaminants, such legal proceedings are costly and time consuming for the Service and for other affected land and resource managers, such as state and local governments. A connection between the polluter as a source of the discovered contaminant and damage to the natural resource from that pollutant must be proven, the damages assessed and quantified, and technical data presented through lawsuits. Also, most cases pursued under such proceedings are usually settled out of court, resulting in an award from the court that is less than the estimated value of the damages to fish and wildlife resources, resulting in restoration that does not fully compensate the American public for lost or damaged natural resources in affected units of the NWRS and the NFHS.

The Service seeks compensation from polluters who contribute to contamination of Service lands and waters and does so where responsible parties are clearly identified. However, more often the responsible parties either cannot be clearly identified among many possible sources or cannot be found or are no longer a financially viable entity. In these cases, the Service performs such cleanup on its lands using its funds to remove such contaminants before exposure adversely affects the health and welfare of fish and wildlife resources and people. The Service dedicates approximately $2 million annually to cleaning up contaminants found on units of the NWRS, which are usually discovered after acquisition, left as residual after transfer from other agencies, or have their origins off Service lands. Inability to identify and recover costs from responsible parties represents a potential future diversion of Service funds from planned activities and potential costs to the American public.

Year 2000 Readiness

In response to the need to ensure all computers and information systems are ready for the Year 2000, the Department of the Interior has implemented a Department-wide initiative to analyze and correct potential Year 2000 conflicts. A discussion of the Department's state of readiness, the costs of addressing Year 2000 issues, the risks to the Department of Year 2000 issues, and the Department's contingency plan is presented in management's discussion and analysis included in the Department of the Interior's Fiscal Year 1998 Accountability Report.

U.S. FISH AND WILDLIFE SERVICE
BALANCE SHEET
AS OF SEPTEMBER 30, 1998 AND 1997
(DOLLARS IN THOUSANDS)

	1998	1997
ASSETS		
Service Assets		
Fund Balance with Treasury (Note 2)	[illegible]	$ 757,155
Cash (Note 3)	[illegible]	963
Investments (Note 4)	[illegible]	471,244
Accounts Receivable, Net (Note 5)		
Intragovernmental	[illegible]	337,987
With the Public	[illegible]	7,560
Interest Receivable (Note 5)		
Intragovernmental	[illegible]	1,885
Advances	[illegible]	530
Land (Note 6)	[illegible]	10,493
Property, Plant, and Equipment, Net (Note 6)	[illegible]	517,231
Construction in Progress (Note 6)	[illegible]	114,549
Total Service Assets	[illegible]	2,219,597
Assets Held on Behalf of Others		
Fund Balance with Treasury (Note 2)	[illegible]	67
Accounts Receivable, Net (Note 5)		
With the Public	[illegible]	7
Interest Receivable (Note 5)		
With the Public	[illegible]	27
Forfeited Property (Note 7)	[illegible]	5,027
Total Assets Held on Behalf of Others	[illegible]	5,128
TOTAL ASSETS	[illegible]	$ 2,224,725

The accompanying notes are an integral part of this financial statement.

.S. FISH AND WILDLIFE SERVICE
ALANCE SHEET
S OF SEPTEMBER 30, 1998 AND 1997
OLLARS IN THOUSANDS)

	1998	1997
IABILITIES		
Liabiiities Covered by Budgetary Resources		
Accounts Payable		
Intragovernmental	[redacted]	$ 6,708
With the Public	[redacted]	28,705
Other Liabilities (Note 8)		
Intragovernmental	[redacted]	2,946
With the Public	[redacted]	20,717
Total Liabilities Covered by Budgetary Resources	[redacted]	59,076
Liabilities Not Covered by Budgetary Resources		
Environmental Contaminant and Contingent Liabilities (Note 9)	[redacted]	103,000
Other Actuarial Liabilities (Note 8)	[redacted]	0
Other Liabilities (Note 8)		
With the Public	[redacted]	36,496
Total Liabilities Not Covered by Budgetary Resources	[redacted]	139,496
OTAL LIABILITIES	[redacted]	198,572
ET POSITION		
Unexpended Appropriations (Note 10)	[redacted]	1,329,179
Cumulative Results of Operations	[redacted]	696,974
OTAL NET POSITION	[redacted]	2,026,153
OTAL LIABILITIES AND NET POSITION	[redacted]	$ 2,224,725

he accompanying notes are an iniegral part of this financial statement.

U.S. FISH AND WILDLIFE SERVICE
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997
(DOLLARS IN THOUSANDS)

	1998	1997
COSTS BY MISSION GOALS		
Sustainability of Fish and Wildlife Populations		
Intragovernmental	[illegible]	$ 61,379
With the Public	[illegible]	363,217
Total	[illegible]	424,596
Less Earned Revenues	[illegible]	34,015
Net Program Costs	[illegible]	390,581
Habitat Conservation: A Network of Lands and Water		
Intragovernmental	[illegible]	74,891
With the Public	[illegible]	666,774
Total	[illegible]	741,665
Less Earned Revenues	[illegible]	86,376
Net Program Costs	[illegible]	655,289
Public Use and Enjoyment		
Intragovernmental	[illegible]	28,443
With the Public	[illegible]	100,587
Total	[illegible]	129,030
Less Earned Revenues	[illegible]	11,680
Net Program Costs	[illegible]	117,350
NET COST OF OPERATIONS	[illegible]	$ 1,163,220

The accompanying notes are an integral part of this financial statement.

U.S. FISH AND WILDLIFE SERVICE
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997
(DOLLARS IN THOUSANDS)

	1998	1997
NET COST OF OPERATIONS	[redacted]	$ (1,163,220)
FINANCING SOURCES		
Appropriations Used	[redacted]	1,208,935
Non-exchange Revenue:		
Lacey Act Receipts	[redacted]	320
Federal Aid Interest Receivable and Interest on Investments	[redacted]	25,441
NRDAR Receipts	[redacted]	71,706
NRDAR Interest on Investments	[redacted]	3,377
Migratory Bird Excise Taxes	[redacted]	0
Migratory Bird Treaty Act Fines and Penalties	[redacted]	0
Miscellaneous Receipts, Fines, Penalties, Interest	[redacted]	0
Donations, Capital Assets	[redacted]	0
Contributed Funds	[redacted]	2,948
Subtotal Non-exchange Revenue	[redacted]	103,792
Imputed Financing Source (Note 11)	[redacted]	32,197
Transfers-In	[redacted]	202,492
Transfers-Out	[redacted]	(325,877)
Subtotal Other Financing Sources	[redacted]	(91,188)
NET RESULTS OF OPERATIONS	[redacted]	58,319
PRIOR PERIOD ADJUSTMENTS (Note 12)	[redacted]	(64,900)
NET CHANGE IN CUMULATIVE RESULTS OF OPERATIONS	[redacted]	(6,581)
INCREASE (DECREASE) IN UNEXPENDED APPROPRIATIONS	[redacted]	76,007
NON-OPERATING CHANGES (Note 13)	[redacted]	(28,813)
CHANGE IN NET POSITION	[redacted]	40,613
NET POSITION - BEGINNING OF PERIOD	[redacted]	1,985,540
NET POSITION - END OF PERIOD	[redacted]	$ 2,026,153

The accompanying notes are an integral part of this financial statement.

U.S. FISH AND WILDLIFE SERVICE
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997
(DOLLARS IN THOUSANDS)

	1998	1997
BUDGETARY RESOURCES		
Budget Authority		$ 1,455,660
Unobligated Balance - Beginning of Period		590,491
Unobligated Balance - Transfers		(19,892)
Spending Authority From Offsetting Collections		94,871
Downward Adjustments of Prior Year Obligations		66,597
Rescissions, Cancellations, and Other Adjustments		(5,061)
Total Budgetary Resources		$ 2,182,666
STATUS OF BUDGETARY RESOURCES		
Obligations Incurred		$ 1,531,646
Unobligated Balance, Available - End of Period		476,790
Unobligated Balance, Not Available - End of Period		174,230
Total, Status of Budgetary Resources		$ 2,182,666
OUTLAYS		
Obligations Incurred		$ 1,531,646
Less: Spending Authority From Offsetting Collections		94,871
Downward Adjustments of Prior Year Obligations		66,597
Obligated Balance, Net - Beginning of Period		682,035
Less: Obligated Balance, Net - End of Period		760,415
Total Outlays		$ 1,291,798

The accompanying notes are an integral part of this financial statement.

U.S. FISH AND WILDLIFE SERVICE
STATEMENT OF FINANCING
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997
(DOLLARS IN THOUSANDS)

OBLIGATIONS AND NONBUDGETARY RESOURCES	1998	1997
OBLIGATIONS AND NONBUDGETARY RESOURCES		
Obligations Incurred		
Category B - Direct	[illegible]	$ 1,447,461
Reimbursable	[illegible]	84,187
Less: Spending authority for offsetting collections and adjustments	[illegible]	(144,519)
Donations not in the budget	[illegible]	0
Imputed financing source	[illegible]	32,197
Transfers-In (Out)	[illegible]	(123,385)
Exchange revenue not in the budget	[illegible]	(93,694)
Non-exchange revenue not in the budget	[illegible]	0
Total Obligations and Nonbudgetary Resources, as Adjusted	[illegible]	$ 1,202,247
RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS		
Change in amount of goods, services, and benefits ordered but not yet received or provided (net increase)	[illegible]	(101,293)
Costs capitalized on the balance sheet (increase)	[illegible]	90,460
Financing sources that fund costs of prior periods	[illegible]	(50,715)
Total Resources That Do Not Fund Net Cost of Operations	[illegible]	(61,548)
COSTS THAT DO NOT REQUIRE RESOURCES		
Depreciation and amortization	[illegible]	23,905
Loss on disposition of assets	[illegible]	(2,028)
Total Costs That Do Not Require Resources	[illegible]	21,877
FINANCING SOURCES YET TO BE PROVIDED	[illegible]	644
NET COST OF OPERATIONS	[illegible]	$ 1,163,220

The accompanying notes are an integral part of this financial statement.

Notes to Prinicipal Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the U.S. Fish and Wildlife Service (Service), as required by the Chief Financial Officers Act of 1990. They have been prepared from the books and records of the Service in accordance with the formats prescribed by the Office of Management and Budget (OMB) in Bulletin 97-01, revised November 20, 1998, and the Service's accounting policies that are summarized in this note. Although a common data source is used, these statements are different from those used to monitor and control budgetary resources. These statements should be read with the realization that they are for a sovereign entity, that unfunded liabilities reported in the financial statements cannot be liquidated without the enactment of an appropriation, and that the payment of all non-contract liabilities can be abrogated by the Government, acting in its sovereign capacity.

B. Reporting Entity

The Service is responsible for conserving, protecting, and enhancing fish and wildlife and their habitats for the continuing benefit of the American people.

Authority over money, or other budget authority made available to the Service, is vested in the Director of the Service. The Director is responsible for administrative oversight and policy direction of the Service. Accounts are maintained which restrict the use of money (or other budget authority) to the purposes and time period for which they are authorized. These accounts also provide assurance that obligations do not exceed authorized amounts.

The accompanying financial statements have been prepared from the Service's consolidated standard general ledger. The statements include all funds and accounts under the control of the Service, as well as allocations from other Federal agency appropriations transferred to the Service under specific legislative authority. The Service is responsible for maintaining accounts in multiple funds. Overall, there are five separate fund types:

1. *General Funds* – These funds are expenditure accounts used to record financial transactions arising from congressional appropriations or other authorizations to spend general revenues. The principal general funds are:

a. Resource Management
b. Construction
c. Cooperative Endangered Species Conservation
d. Rewards and Operations
e. Natural Resource Damage Assessment
f. National Wildlife Refuge Fund
g. North American Wetlands Conservation Fund
h. Wildlife Conservation and Appreciation Fund
i. Rhinoceros and Tiger Conservation Fund

2. *Trust Funds* – The Service maintains two trust fund accounts to carry out specific programs under trust agreements and statutes. (1) The Sport Fish Restoration Account makes payments to States for support projects that restore, conserve, manage, and enhance sport fish resources and projects that provide for public use and benefits from sport fish resources. In addition, grants are made to States, which support projects that create, restore, protect, or enhance coastal wetlands. (2) The Contributed Fund trust fund receives contributions for projects relating to endangered species recovery, refuge operation and maintenance, research, and others.

3. *Deposit Funds* – These funds are maintained to account for receipts awaiting proper classification. Proceeds from the sale of vehicles are also included in these funds.

4. *Receipt Funds* – These funds arise from the sovereign and regulatory powers unique to the Government. These funds include miscellaneous fines and penalties, administrative fees, interest, and unclaimed monies.

5. *Special Funds* – Collections made into special fund receipt accounts are earmarked by law for a specific purpose, but are not generated from a continuing cycle of operations. Most of these receipts are available immediately. Special fund expenditure accounts record amounts appropriated from special fund receipts, which are used for special programs, as specified by law. The principal special funds are:

a. Land Acquisition (subject to appropriation)
b. Federal Aid/Wildlife Restoration
c. Operation/Maintenance - Quarters
d. Proceeds from Sales - Water Resources Development Projects
e. Migratory Bird Conservation
f. Federal Aid/Fish Restoration
g. North American Wetlands Conservation
h. National Wildlife Refuge
i. Natural Resource Damage Assessment and Restoration
j. Cooperative Endangered Species Conservation (subject to appropriation)
k. Recreational Fee Demonstration Program
l. Lahontan Valley and Pyramid Lake Fish and Wildlife Fund
m. African Elephant Conservation Fund

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds.

D. Revenues and Other Financing Sources

The Service receives the majority of its funding through appropriations. The Service receives annual, multi-year, and no-year appropriations that may be used within statutory limits for operating expenses and capital expenditures (primarily equipment, furniture, and furnishings). Additional amounts are obtained through reimbursements for services provided to public entities and other Federal agencies.

Receipts are recognized as revenues when earned. These revenues may be used to offset the cost of operations at field sites, including overhead costs.

E. Funds with Treasury and Cash

The U.S. Department of the Treasury (Treasury) processes cash receipts and disbursements. The balance with Treasury represents all unexpended balances in Service accounts. The funds with Treasury and cash include appropriated and trust funds, which are available to pay current liabilities and to pay outstanding obligations.

F. Allowance for Doubtful Accounts

An Allowance for Doubtful Accounts is maintained to reflect uncollectible accounts receivable due from the public. The allowance amount is determined based on an average of prior year write-offs and an analysis of outstanding accounts receivable.

G. Investments in U.S. Government Securities

Investments in U.S. Government securities are reported at amortized cost. Discounts are amortized into interest income over the term of the investment. Premiums are amortized against semi-annual interest receipts. It is the intent of the Service to hold investments to maturity. No provision is made for unrealized gains or losses on these securities.

The U.S. Treasury collects, invests, and maintains on behalf of the Service the Aquatic Resources Trust Fund. The Service's Sport Fish Restoration Account is a part of this fund. The Appropriations Act of 1951 authorized amounts equal to revenues credited during the year to be used in the subsequent fiscal year. This is recorded as permanent appropriations to remain available until expended. These statements do not reflect the amounts collected and held by the U.S. Treasury in this fiscal year for reporting in subsequent years.

H. Operating Materials and Supplies

Operating materials and supplies consist of items such as lumber, sand, gravel, and other items purchased in large quantities which will be consumed in future operations. Operating materials and supplies are accounted for based on the purchases method. Under this method, operating materials and supplies are expensed when purchased.

I. Land, Property, Plant, and Equipment

During FY1997, the Service requested and received approval to increase the capitalization threshold of equipment from $5,000 to $25,000. The Service defines capitalized equipment as those assets, other than buildings or other structures, which have an estimated useful life of greater than 1 year and an initial acquisition cost exceeding $25,000. Depreciation is recorded using the straight-line method based on the estimated useful life of the respective assets of no more than 10 years.

Each capitalized building and structure has a cumulative cost of $50,000 or more. Buildings are comprised of service facilities, such as houses, garages, shops, schools, laboratories, and other buildings owned by the Service. Structures are comprised of service facilities, such as powerhouses and pumping plants, structural and general service facilities systems (drainage system, plumbing system, sewer system, ventilating system, water system, heating system, etc.,), grounds and site improvements (roads and roadways, fences, lawns, shrubbery, parking areas, sidewalks, sprinkler systems, yard drainage systems, yard lighting systems, etc.,), bridges and trestles, dams and dikes, waterways, wells, etc., owned by the Service.

These buildings and structures are used in the operations of wildlife refuges, fish hatcheries, wildlife research centers, fishery research stations, waterfowl production areas, and administrative sites. Capitalized costs include materials, labor, and overhead costs incurred during construction and fees such as attorney and architect and building permits. Depreciation is recorded using the straight-line method based on an estimated useful life of 30 years.

Property is reported in the financial statements based upon legal ownership.

Consistent with the accounting standards for property, plant and equipment, most lands under the control of the Service are classified as stewardship land and are reported on a separate Supplementary Stewardship Report. However, lands associated with administrative sites are reported on the Balance Sheet.

J. Seized and Forfeited Property

The Service is responsible for safeguarding seized and forfeited property, from the time of seizure through the final disposition of the property. Disposition may include forfeiting the property to the Government, returning the property to the person from whom it was seized, destruction, sale, donation, or other methods authorized by law. Property for which a legal market exists is reported at appraised value.

Certain types of property may not be legally sold under Service regulations. Such property includes items that consists in whole or in part of migratory birds, bald and golden eagles, endangered or threatened species, marine mammals, and species listed on Appendix I to the Convention on International Trade in Endangered Species to Wild Fauna and Flora. Such property is classified as "Non-Marketable" and has no legal value.

K. Contingencies

Contingent liabilities are recognized based upon the probability of occurrence. Administrative proceedings, legal actions, and pending claims are recognized in the accounting records when the event which may result in a liability is considered probable and may have a material impact upon the operations of the Service.

L. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the Service as the result of a transaction or event that has already occurred. However, without an appropriation, the Service cannot pay a liability. Liabilities for which an appropriation has not been enacted are therefore classified as unfunded liabilities. There is no certainty that the appropriations will be enacted. The Government, acting in its sovereign capacity, can abrogate non-contract liabilities of the Service.

M. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned. This accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual leave, future financing sources will be used.

Sick leave and other types of nonvested leave are expensed as taken because they are nonvesting in nature.

N. Retirement Plans

Service employees contribute to the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS), to which the Service makes matching contributions.

Employees hired after December 31, 1983 are automatically covered by FERS. Employees hired prior to January 1, 1984 could elect either FERS or CSRS coverage. FERS offers a savings plan to which the Service automatically contributes 1 percent of pay and matches employee contributions up to an additional 4 percent of basic pay. For most FERS employees, the Service also contributes the employer's matching share for Social Security.

In FY1997, the Service implemented Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal Government. Under these accounting standards, the actuarial present value of pension and other retirement benefits for its employees' during their active years of service must be reflected on the financial statements of the agency that received the benefit.

O. Comparative Data

Comparative data for FY1997 are presented in order to provide an understanding of changes in the financial position and operations of the Service.

P. Supplemental Schedules

Supplemental schedules are presented after these notes for clarification and further disclosure.

NOTE 2. FUND BALANCE WITH TREASURY

The U.S. Department of the Treasury processes cash receipts and disbursements. The fund balance with Treasury represents all unexpended balances in Service accounts and the right to draw on the U.S. Treasury for allowable expenditures. The fund balances with Treasury are comprised of the following amounts (dollars in thousands):

Fund Balances with Treasury as of September 30:

	1998	1997
Service Assets:		
Appropriated Funds	[redacted]	$ 744,688
Trust Funds	[redacted]	11,833
Other	[redacted]	634
Total Service Assets	[redacted]	757,155
Assets Held on Behalf of Others:		
Other	[redacted]	67
Total Assets Held for Others	[redacted]	67
Total Fund Balance	[redacted]	$ 757,222

NOTE 3. CASH

Entity cash consists of $843,104 in petty cash imprest funds.

NOTE 4. INVESTMENTS

Investments in non-marketable market-based U.S. Government securities consist of nine bills and sixty-two notes purchased through the Funds Management Division of the U.S. Treasury. The invested funds consist of excise tax receipts from 14X5029, the Federal Aid in Wildlife Restoration Fund and receipts from 14X5198, the Natural Resource Damage Assessment and Restoration Fund. Amortization is recorded using the straight-line method. Outstanding investments in U.S. Government securities totaled (dollars in thousands):

Investments as of September 30, 1998:

	Acquisition Cost	Unamortized Premium (Discount)	Net Investments
14X5029	[redacted]	$ 136	[redacted]
14X5198	[redacted]	(125)	[redacted]
	[redacted]	$ 11	[redacted]

Investments as of September 30, 1997:

	Acquisition Cost	Unamortized Premium (Discount)	Net Investments
14X5029	[redacted]	$ (452)	[redacted]
14X5198	[redacted]	(276)	[redacted]
	[redacted]	$ (728)	[redacted]

NOTE 5. ACCOUNTS RECEIVABLE AND INTEREST RECEIVABLE

Accounts and interest receivable consist of amounts owed the Service by other Federal agencies and amounts owed by the public. Accounts and interest receivable as of September 30, consist of (dollars in thousands):

Receivable as of September 30, 1998:

	Service Receivables		Receivables Held on Behalf of Others	
	Intragovernmental	With the Public	Intragovernmental	With the Public
Accounts Receivable	$ 401,298	$ 2,510	$ 0	$ 12
Interest Receivable	567	0	0	34
Total	$ 401,865	$ 2,510	$ 0	$ 46

Receivable as of September 30, 1997:

	Service Receivables		Receivables Held on Behalf of Others	
	Intragovernmental	With the Public	Intragovernmental	With the Public
Accounts Receivable	$ 237,967	$ 7,560	$ 0	$ 7
Interest Receivable	1,905	0	0	27
Total	$ 239,872	$ 7,560	$ 0	$ 34

NOTE 6. PROPERTY, PLANT, AND EQUIPMENT

During FY1997, $83.3 million in real property and $20.5 million in equipment were transferred to USGS, Biological Research Division (BRD). Some former BRD stations, which were previously identified for transfer during FY1996, are not presently being transferred.

Property, plant, and equipment consist of the following (dollars in thousands):

Property, Plant, and Equipment as of September 30, 1998:

	Service Life	Acquisition Value	Accumulated Depreciation	Net Book Value
Land		[illegible]	$ 0	[illegible]
Buildings	30 years	[illegible]	127,791	[illegible]
Other Structures	30 years	[illegible]	220,876	[illegible]
Equipment	NTE 10 years	[illegible]	85,590	[illegible]
Subtotal PP&E		[illegible]	434,257	[illegible]
Construction in Progress		[illegible]	0	[illegible]
Total		[illegible]	$ 434,257	[illegible]

Property, Plant, and Equipment as of September 30, 1997:

	Service Life	Acquisition Value	Accumulated Depreciation	Net Book Value
Land		[illegible]	$ 0	[illegible]
Buildings	30 years	[illegible]	120,627	[illegible]
Other Structures	30 years	[illegible]	211,963	214,411
Equipment	NTE 10 years	[illegible]	78,413	[illegible]
Subtotal PP&E		[illegible]	411,003	[illegible]
Construction in Progress		[illegible]	0	114,549
Total		$ 1,053,276	$ 411,003	$ 642,273

NOTE 7. SEIZED AND FORFEITED PROPERTY

Property seized by the Service typically includes wildlife and wildlife products. Seized and forfeited property consist of the following (number of seizures in thousands and dollars in thousands):

Seized and Forfeited Property as of September 30:

	1998			1997		
	Marketable			Marketable		
	# of Seizures	Value		# of Seizures	Value	
Seized Property	**9**	**$**	**1,056**	9	$	1,056
Forfeited Property	**124**	**$**	**5,027**	124	$	5,027
Property Dispositions	**820**	**$**	**1,827**	820	$	1,827

NOTE 8. OTHER LIABILITIES

[illegible]

All other liabilities covered by budgetary resources are current liabilities.

Advances are related to reimbursable agreements with public entities and other Federal agencies to protect wildlife resources, to conduct investigations, to conduct wildlife surveys on public lands, and to provide fish migration prior to the construction of new dams.

Deposit funds include stale-dated Government checks (of 1 year or greater), proceeds from the sale of vehicles not applied toward the purchase of new vehicles, and tax withholding.

The unearned revenue relates to property forfeited to the Service.

Other liabilities with the public are an offset to revenue collected for the U.S. Treasury, which will be returned to the U.S. Treasury as required by new procedures for accounting for miscellaneous receipts.

Other liabilities covered by budgetary resources consist of the following (dollars in thousands):

[illegible]

Other liabilities not covered by budgetary resources include $32.4 million for accrued unfunded annual leave of the Service, $9.0 million for unfunded workman's compensation accrual of the Service, and $34 million for the Federal Employees Compensation Act (FECA) actuarial calculation.

Other liabilities as of September 30:

	1998				1997			
	Liabilities Covered by Budgetary Resources				Liabilities Covered by Budgetary Resources			
	Intragovernmental		With the Public		Intragovernmental		With the Public	
Accrued Payroll/Benefits	**$**	**3,997**	**$**	**15,354**	$	0	$	15,877
Advances		**1,534**		**247**		1,298		909
Deposit Funds		**1,388**		**(1,606)**		1,648		(1,129)
Unearned Revenue				**5,027**		0		5,027
Other				**47**		0		33
Total Other Liabilities Covered by Budgetary Resources	**$**	**6,919**	**$**	**19,069**	$	2,946	$	20,717

IOTE 9. ENVIRONMENTAL CLEANUP AND CONTINGENT LIABILITIES

Environmental liabilities for the Service are associated with the future costs of remediating hazardous wastes and landfills existing vithin units of the National Wildlife Refuge (NWRS) and National Fish Hatcheries (NFHS) Systems. The Service believes that the uture costs of cleanup within the NWRS and the NFHS can be reasonably estimated to be approximately $138,000,000. This estimate f future costs covers cleanup of 15 major sites, even though these sites are found on lands obtained by the Service through donation, cquisition, or transfer from other agencies. Cost estimates are based on preliminary investigations of known sites and the expected legree and type of contamination probable at these sites. It does not include sites unknown, sites for which Service responsibility is nclear, sites which have not been investigated, or sites degraded by offsite activities beyond the control of the Service. Where ossible, cost estimates are included for conducting site investigations and for conducting monitoring actions needed to assess the fficacy of cleanup. The Service's methods for estimating these liabilities include quotes from private firms that have worked on the ites, projected planning figures based on related projects, and best engineering judgment. In this estimate, the Service also used 'echnical Release No. 2 of the Accounting and Auditing Policy Committee (AAPC) formed in May 1997 by OMB, GAO, Treasury, the CFO Council, and the President's Council on Integrity and Efficiency as a new body to address issues in implementing FASAB tandards. The AAPC Technical Release No. 2 was used as the basis for determining probable and reasonably estimable liabilities elated to Service environmental cleanup responsibilities under the applicable federal standards, SFFAS No. 5 and No. 6.

'or contingencies that could arise because of litigation or claims, the Service has certain administrative proceedings, legal actions, and laims pending against it. The Service is involved in three lawsuits in which various plaintiffs are seeking damages totaling over $77 nillion for alleged "takings" of property. The Service has defenses in all three claims, and expects to prevail in or settle the pending ases. Any amounts paid by the Government, which are expected to be substantially less than the amounts sought by the plaintiffs, vill come from the Judgement Fund of the U.S. Department of the Treasury, rather than from Service resources. In the opinion of service management, as well as the Office of the Solicitor, resolution of these proceedings, actions, and claims will not materially affect he financial position, results of operations, or cash flows of the U.S. Fish and Wildlife Service.

IOTE 10. UNEXPENDED APPROPRIATIONS

Jnexpended appropriations increased in FY97 because indefinite appropriation amounts were reclassified from cumulative results of perations due to guidance from the U.S. Treasury and the Department. Available receipt accounts are considered appropriations vithout a warrant.

Jnexpended appropriations as of September 30 (dollars in thousands):

Unexpended Appropriations as of September 30, 1998:

	Appropriated Funds	Trust Funds	Total
Jnexpended Appropriations			
Unobligated - Available	$ 314,469	$ 121,494	$ 435,963
Unavailable	191,587	0	191,587
Undelivered Orders	428,507	265,685	694,192
'otal Unexpended Appropriations	$ 934,563	$ 387,179	$ 1,321,742

Unexpended Appropriations as of September 30, 1997:

	Appropriated Funds	Trust Funds	Total
Jnexpended Appropriations			
Unobligated - Available	$ 338,061	$ 86,524	$ 424,585
Unavailable	174,029	0	174,029
Undelivered Orders	486,850	243,715	730,565
'otal Unexpended Appropriations	$ 998,940	$ 330,239	$ 1,329,179

NOTE 11. IMPUTED FINANCING SOURCE

Imputed financing sources are amounts equal to the costs that have been incurred by the reporting entity and budgeted by another entity when services are received at less than full cost. The Service recognizes the actuarial present value of pensions and other retirement benefits for its employees' during their active years of service. By recognizing nonbudgetary resources, e.g., the imputed financing source of $30.7 million, the financial statements of the Service reflect the recorded costs, which were financed by budgetary resources of the Office of Personnel Management.

NOTE 12. PRIOR PERIOD ADJUSTMENTS

The prior period adjustment figure is comprised of the following (dollars in thousands):

Prior Period Adjustments for FY 1998 and FY 1997:

	1998	1997
Federal Employees Compensation Act (FECA) actuarial liability calculation		
Over collections in prior years		
Change in equipment capitalization threshold from $5 thousand to $25 thousand		**$ 44,104**
Correct prior period equipment depreciation		**3,459**
Correct Job Corps purchases posted to the land account which should have been expensed		**83**
Correct prior period costs that were posted to construction work-in-progress (SGL 1720) which should have been expensed		**8,713**
Correct prior period costs originally expensed which should be capitalized assets		**(19,817)**
Correct prior period costs related to fixed asset posting		**(74,642)**
Initial estimated accrued environmental contaminant liability applicable to prior periods		**103,000**
Total Prior Period Adjustments		**$ 64,900**

NOTE 13. NON-OPERATING CHANGES

For FY1998, there were no non-operating changes.

For FY1997, the non-operating change is comprised of $(14,190,000) for warrants out of unavailable receipt accounts under cognizance of the Service and $(14,623,000) for non-operating property adjustments.

NOTE 14. OTHER DISCLOSURES

Although the Service's research and development program was transferred to the Biological Research Division (BRD), U.S. Geological Survey (formerly National Biological Service) during FY1994, the Service held title to all land and property until FY1997. The real property transferred from the Service included a book value of $46.1 million for buildings and a book value of $6.8 million for other structures.

In FY1998, no expenditures were incurred for BRD for undelivered orders established before FY1994. As of the end of FY1998, the Service reported over $39,000 in undelivered orders outstanding for FY1993 and prior, which relate to BRD functions.

By agreement the Service incurred $630,000 in expenditures for BRD in FY1997, which relate to pre-FY1994 undelivered orders that were not transferred to BRD financial records, even though the functions were transferred. As of the end of FY1997, the Service reported over $530,000 in undelivered orders outstanding for FY1993 and prior, which relate to BRD functions.

NOTE 15. DEFERRED MAINTENANCE ESTIMATES (UNAUDITED)

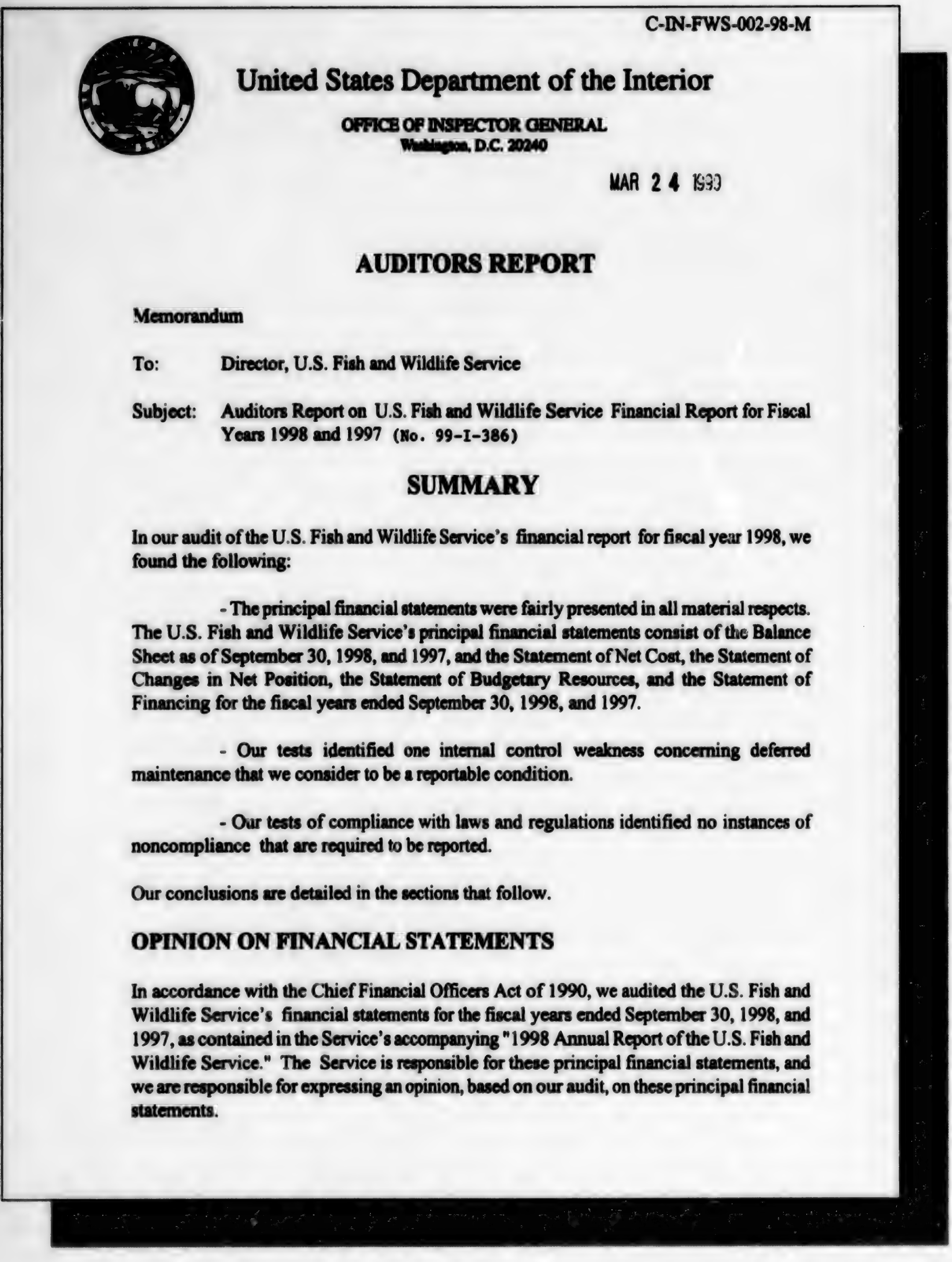
Refuge water management facilities, fish hatcheries, visitor centers, buildings, roads, dams, and bridges and other facilities represent a major investment by the American people in resources that support the mission of the U.S. Fish and Wildlife Service. Inadequately funded maintenance due to insufficient budgets, growth of the infrastructure without commensurate operations and maintenance funding, and competition for resources from other needs can lead to accelerated facility deterioration. Such deterioration of facilities can adversely impact public and employee health and safety, disrupt operations of the Service, result in the inefficient use of staff time due to excessive break downs and repairs, and compromise the conservation of fish and wildlife. Deferred maintenance can increase the need for costly major repair or early replacement of deteriorating structures before the end of their useful life.

The measures for this deterioration are estimates which represent maintenance needs for the facilities under the administration of the Service that have not been funded for at least one year. These estimates are updated annually based on condition assessment surveys on Service facilities conducted by refuge and hatchery staff at the field level. Facility maintenance deficiencies are identified by field stations and documented in accordance with Service procedures and policies. The Service recognizes that the level of documentation of deficiencies found will vary from site to site and is taking steps over the next few years to improve field station documentation. Maintenance deficiencies are identified through condition assessment surveys and maintenance project costs are entered into the automated Maintenance Management System (MMS). Projects undergo peer review by an interdisciplinary team of Service specialists to ensure that estimates are appropriate and projects are eligible for consideration in the MMS. The Service recognizes that estimating deferred maintenance requires the professional judgment of numerous site managers gathering information from multiple sources. These estimates can represent average costs among several sources or can be the costs of the last estimate increased over time to accommodate inflation since the last estimate. Each method is acceptable; however, estimates may vary by 15% above or below any discrete number provided.

The deferred maintenance estimate for facilities in the National Wildlife Refuge System (NWRS) is approximately $550 million, plus or minus 15%, placing the estimate within a range of $465 million to $630 million. The deferred maintenance estimate for facilities within the National Fish Hatchery System (NFHS) is approximately $205 million, plus or minus 15%, placing the estimate within a range of $175 million to $235 million. Based on condition assessment surveys of maintenance needs of Service facilities, the Service estimates that deferred maintenance for aggregate facilities within both the NWRS and the NFHS is estimated at approximately $750 million, plus or minus 15%, placing the range between $640 million and $865 million for all facilities under the jurisdiction of the U.S. Fish and Wildlife Service.

The Service's estimates of deferred maintenance are aggregate estimates for all facilities (e.g., buildings, administrative sites, dikes, dams, water management systems, fish raceways and ponds, roads, trails, bridges, fencing and other land improvements) and for all property related to facility operations. These estimates are the best that the Service has to date; however, they are not audited by the Office of the Inspector General in the Department of the Interior. The aggregate deferred maintenance estimates do not include construction of facilities not previously existing, or significant expansion of existing facilities, or major upgrades or replacement of dams, but rather is an estimate of bringing existing facilities into a functional or acceptable operating condition. Maintenance of a minor, custodial nature including grass mowing, snow removal, grounds maintenance, routine equipment servicing (including preventive maintenance), and janitorial services are not included in this estimate. Equipment is excluded from this estimate.

The overall condition of aggregate Service facilities is determined by using a comparative ratio, known as the Facilities Condition Index (FCI), which is a commonly used industry measurement of condition. The FCI is the ratio of accumulated deferred maintenance to the current replacement value and is an indicator of the depleted value of an institution's physical plant and infrastructure. The FCI illustrates the percentage of its capital amount that an institution would have to spend to eliminate the deferred maintenance. If the ratio of accumulated deferred maintenance estimate to replacement value is from 0% to 5%, the condition of the facilities is considered as "good." If the ratio is greater than 5% but less than 10%, the condition is considered "fair," and if the ratio is 10% or greater, then condition is considered "poor." The replacement value for facilities within the NWRS is estimated at $4.5 billion and for the NFHS at $800 million, with a combined total estimate of $5.3 billion. Based on condition assessment surveys conducted by the Service, the FCI for facilities within the NWRS ranges between 10% and 14%, and for NFHS between 22% and 29%, with a combined FCI for all Service facilities ranging between 12% and 16%; therefore, the condition of Service facilities is "poor." The estimate of the deferred maintenance is, thus, the estimate of the monetary resources necessary to bring Service facilities into a good or acceptable operating condition.



C-IN-FWS-002-98-M

United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

MAR 24 1999

AUDITORS REPORT

Memorandum

To: Director, U.S. Fish and Wildlife Service

Subject: Auditors Report on U.S. Fish and Wildlife Service Financial Report for Fiscal Years 1998 and 1997 (No. 99-I-386)

SUMMARY

In our audit of the U.S. Fish and Wildlife Service's financial report for fiscal year 1998, we found the following:

- The principal financial statements were fairly presented in all material respects. The U.S. Fish and Wildlife Service's principal financial statements consist of the Balance Sheet as of September 30, 1998, and 1997, and the Statement of Net Cost, the Statement of Changes in Net Position, the Statement of Budgetary Resources, and the Statement of Financing for the fiscal years ended September 30, 1998, and 1997.

- Our tests identified one internal control weakness concerning deferred maintenance that we consider to be a reportable condition.

- Our tests of compliance with laws and regulations identified no instances of noncompliance that are required to be reported.

Our conclusions are detailed in the sections that follow.

OPINION ON FINANCIAL STATEMENTS

In accordance with the Chief Financial Officers Act of 1990, we audited the U.S. Fish and Wildlife Service's financial statements for the fiscal years ended September 30, 1998, and 1997, as contained in the Service's accompanying "1998 Annual Report of the U.S. Fish and Wildlife Service." The Service is responsible for these principal financial statements, and we are responsible for expressing an opinion, based on our audit, on these principal financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and with Office of Management and Budget Bulletin 98-08, "Audit Requirements for Federal Financial Statements," as amended, and was completed on December 18, 1998. These audit standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accompanying principal financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the principal financial statements and the accompanying notes. An audit also includes assessing the accounting principles used and the significant estimates made by management. We believe that our audit work provides a reasonable basis for our opinion.

In our opinion, the principal financial statements, including the accompanying notes to the principal financial statements, present fairly, in all material respects, the consolidated financial position of the U.S. Fish and Wildlife Service as of September 30, 1998, and 1997, and its consolidated net cost, changes in net position, budgetary resources and outlays, and financing for the years then ended on the basis of accounting described in Note 1 to the principal financial statements.

The required supplementary stewardship information (pages 33-45) is not a required part of the principal financial statements but is supplementary information required by the Financial Accounting Standards Advisory Board. We have applied certain limited procedures, including discussions with management on the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it. In addition, the supplemental information (pages 73-81) was not subjected to the auditing procedures applied to the audit of the consolidated financial statements. Accordingly, we do not express an opinion on this information.

REPORT ON INTERNAL CONTROLS

The management of the U.S. Fish and Wildlife Service is responsible for establishing and maintaining an internal control structure which provides reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of the principal financial statements and required supplementary stewardship information in accordance with Federal accounting standards.

- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition.

- Transactions are executed in accordance with (1) laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the principal financial statements or required supplementary stewardship information and (2) any other laws, regulations, and Governmentwide policies identified by the Office of Management and Budget.

Because of inherent limitations in any internal control structure, errors or fraud may occur and not be detected. Also, projections of the internal controls over financial reporting to future periods are subject to the risk that the internal controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In planning and performing our audit, we obtained an understanding of the relevant internal control policies and procedures, determined whether these internal controls had been placed in operation, assessed control risks, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing an opinion on the principal financial statements and not to express assurance on the internal controls over financial reporting. Consequently, we do not express an opinion on internal controls. We also reviewed the Service's most recent report required by the Federal Managers' Financial Integrity Act of 1982 and compared it with the results of our evaluation of the Service's internal control structure.

Our consideration of the internal controls over financial reporting and compliance would not necessarily disclose all matters in the internal control structure over financial reporting that might be reportable conditions. Under standards established by the American Institute of Certified Public Accountants and by Office of Management and Budget Bulletin 98-08, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls that, in our judgment, could adversely affect the Service's ability to record, process, summarize, and report financial data consistent with the assertions by management in the principal financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted certain matters discussed in the paragraph that follows which involve the internal control structure and its operation that we consider to be a reportable condition. This reportable condition is not believed to be a material weakness.

In accordance with Bulletin 98-08, we reviewed the internal controls related to the reported information on deferred maintenance (Note 15 to the principal financial statements) to determine whether the estimates were properly supported, recorded, processed, and summarized. We concluded that the supervisory and monitoring controls over deferred maintenance need to be strengthened to ensure that the responsibilities for documenting, recording, processing, and reviewing data entered into the deferred maintenance system are carried out. Specifically, the Service should establish written guidelines for documenting (1) condition assessments and cost estimates, (2) supervisory reviews and approvals of the condition assessments and the cost estimates, and (3) the history of changes to the information in the deferred maintenance system. Written guidelines requiring the retention of this documentation should also be established. To correct this internal control weakness, the Service stated that it is working to improve the quantity and the quality of the information contained in its Maintenance Management System. It further stated that its Maintenance Management System Handbook will provide "improved guidance on when and how to conduct condition assessments and on how to document cost estimates." The Service is also providing additional training and guidance to its Maintenance Management System Coordinators, the personnel charged with managing the Maintenance Management System.

Stewardship and Performance Measures

In addition, we considered the U.S Fish and Wildlife Service's internal controls over the required supplementary stewardship information by obtaining an understanding of the Service's internal controls relating to the preparation of the required supplementary stewardship information to determine whether these internal controls had been placed in operation, assessed the control risk, and performed tests of these controls as required by Bulletin 98-08. However, providing assurance on these internal controls was not an objective of our audit, and accordingly, we do not provide assurance on such controls.

With respect to the internal controls related to the reported performance measures, we did not obtain an understanding of the design of significant internal controls related to the existence and completeness assertions. Accordingly, we do not provide assurance on such controls.

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

The management of the U.S. Fish and Wildlife Service is responsible for complying with laws and regulations applicable to the Service. As part of obtaining reasonable assurance about whether the Service's principal financial statements are free of material misstatement, we performed tests of the Service's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on amounts contained in the principal financial statements and certain other laws and regulations specified in Bulletin 98-08, including the requirements referred to in the Federal Financial Management Improvement Act of 1996. However, providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance with laws and regulations discussed in the preceding paragraph exclusive of the Federal Financial Management Improvement Act disclosed no instances of noncompliance that are required to be reported under the "Government Auditing Standards" or Bulletin 98-08.

Under the Federal Financial Management Improvement Act, we are required to report whether the Service's financial management systems are in substantial compliance with requirements for Federal financial management systems, Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. To meet these requirements, we performed tests of compliance using the implementation guidance for the Federal Financial Management Improvement Act included in Appendix D of Bulletin 98-08.

The results of our tests disclosed no instances in which the Service's financial management system was not in substantial compliance with these three requirements.

CONSISTENCY OF OTHER INFORMATION

We reviewed the financial information presented in the U.S. Fish and Wildlife Service's overview and in the required supplemental information to determine whether the information was consistent with the principal financial statements. Based on our review, we determined that the information in the overview and in the required supplemental information was consistent with information in the principal financial statements.

PRIOR AUDIT COVERAGE

Our review of prior Office of Inspector General and General Accounting Office audit reports disclosed that there were no significant unresolved or unimplemented recommendations which affected the U.S. Fish and Wildlife Service's principal financial statements.

OBJECTIVE, SCOPE, AND METHODOLOGY

The management of the U.S. Fish and Wildlife Service is responsible for the following:

- Preparing the principal financial statements and the information referred to in the Consistency of Other Information section of this report in conformity with the basis of accounting described in Note 1 to the principal financial statements and preparing the other information contained in the "1998 Annual Report of the U.S. Fish and Wildlife Service."

- Establishing and maintaining an internal control structure over financial reporting. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of internal control structure policies and procedures.

- Complying with applicable laws and regulations.

We are responsible for the following:

- Expressing an opinion on the U.S. Fish and Wildlife Service's principal financial statements.

- Obtaining an understanding of the internal controls over financial reporting and compliance and reporting the results of this review based on the internal control objectives in Bulletin 98-08, which requires that transactions be properly recorded, processed, and summarized to permit the preparation of the principal financial statements and the required supplemental information in accordance with Federal accounting standards and that assets be safeguarded against loss from unauthorized acquisition, use, or disposal.

- Testing the Service's compliance with selected provisions of laws and regulations that could materially affect the principal financial statements or the required supplemental information.

To fulfill these responsibilities, we performed the following actions:

- Examined, on a test basis, evidence supporting the amounts disclosed in the principal financial statements.

- Assessed the accounting principles used and the significant estimates made by management.

- Evaluated the overall presentation of the principal financial statements.

- Obtained an understanding of the internal control structure related to safeguarding assets; compliance with laws and regulations, including the execution of transactions in accordance with budget authority; and financial reporting.

- Tested relevant internal controls over the safeguarding of assets, compliance with laws and regulations, and financial reporting and evaluated management's assertion about the effectiveness of internal controls.

- Tested compliance with selected provisions of laws and regulations.

We did not evaluate all of the internal controls related to the operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls related to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to those controls necessary to achieve the objectives outlined in our report on internal controls.

This report is intended for the information of management of the U.S. Fish and Wildlife Service, the Office of Management and Budget, and the Congress. However, this report is a matter of public record, and its distribution is not limited.

Robert J. Williams

Robert J. Williams
Assistant Inspector General
for Audits

USFWS Dan O'Neal

The U.S. Department of the Interior
U.S. Fish and Wildlife Service
Regional Offices

Region 1

U.S. Fish and Wildlife Service
11 N.E. 11th Avenue
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Region 2

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WI)

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Region 6

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WY)

Region 7

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4401 N. Fairfax Drive
Arlington, VA 22203

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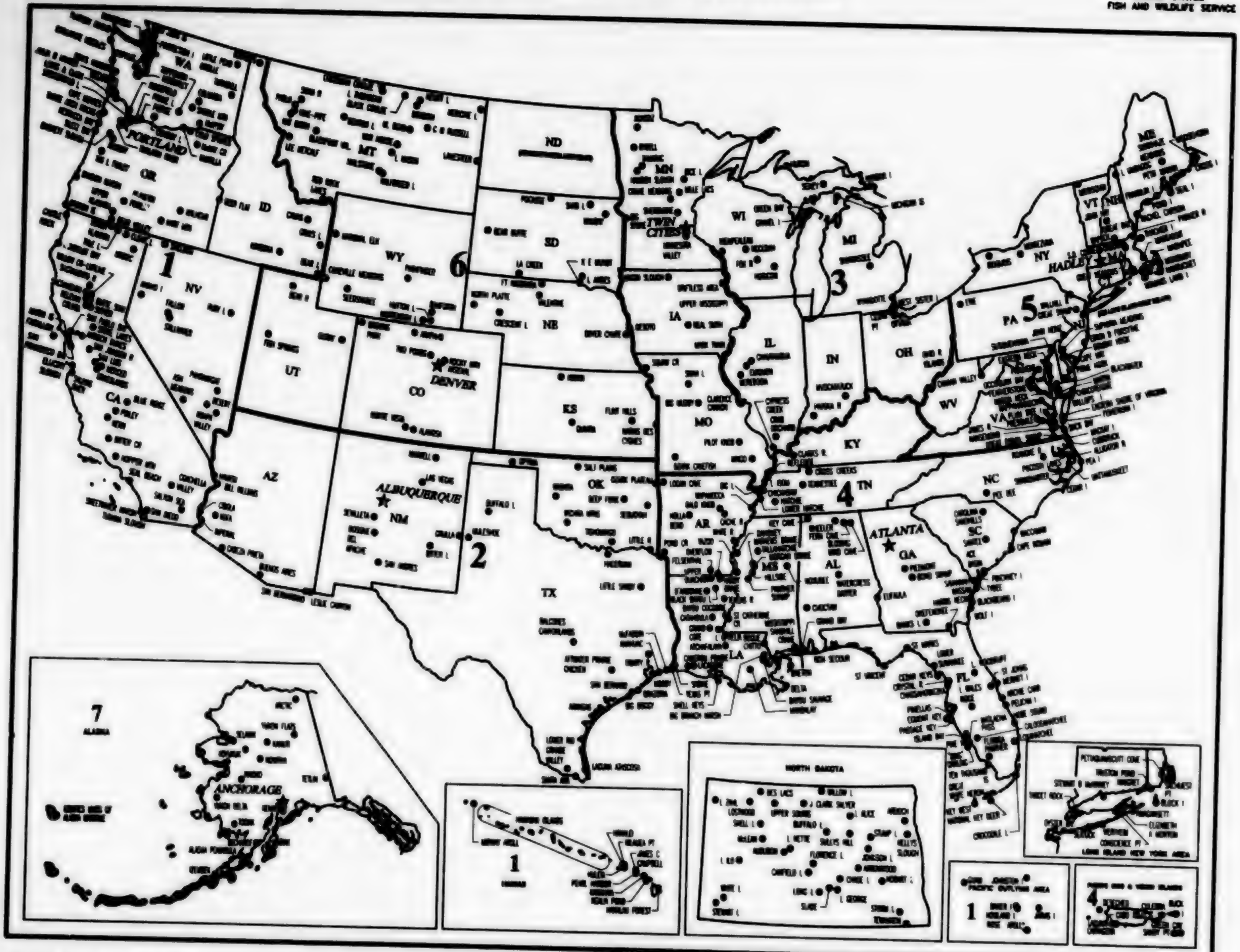
UNITED STATES
DEPARTMENT OF THE INTERIOR

NATIONAL WILDLIFE REFUGE SYSTEM

UNITED STATES
FISH AND WILDLIFE SERVICE

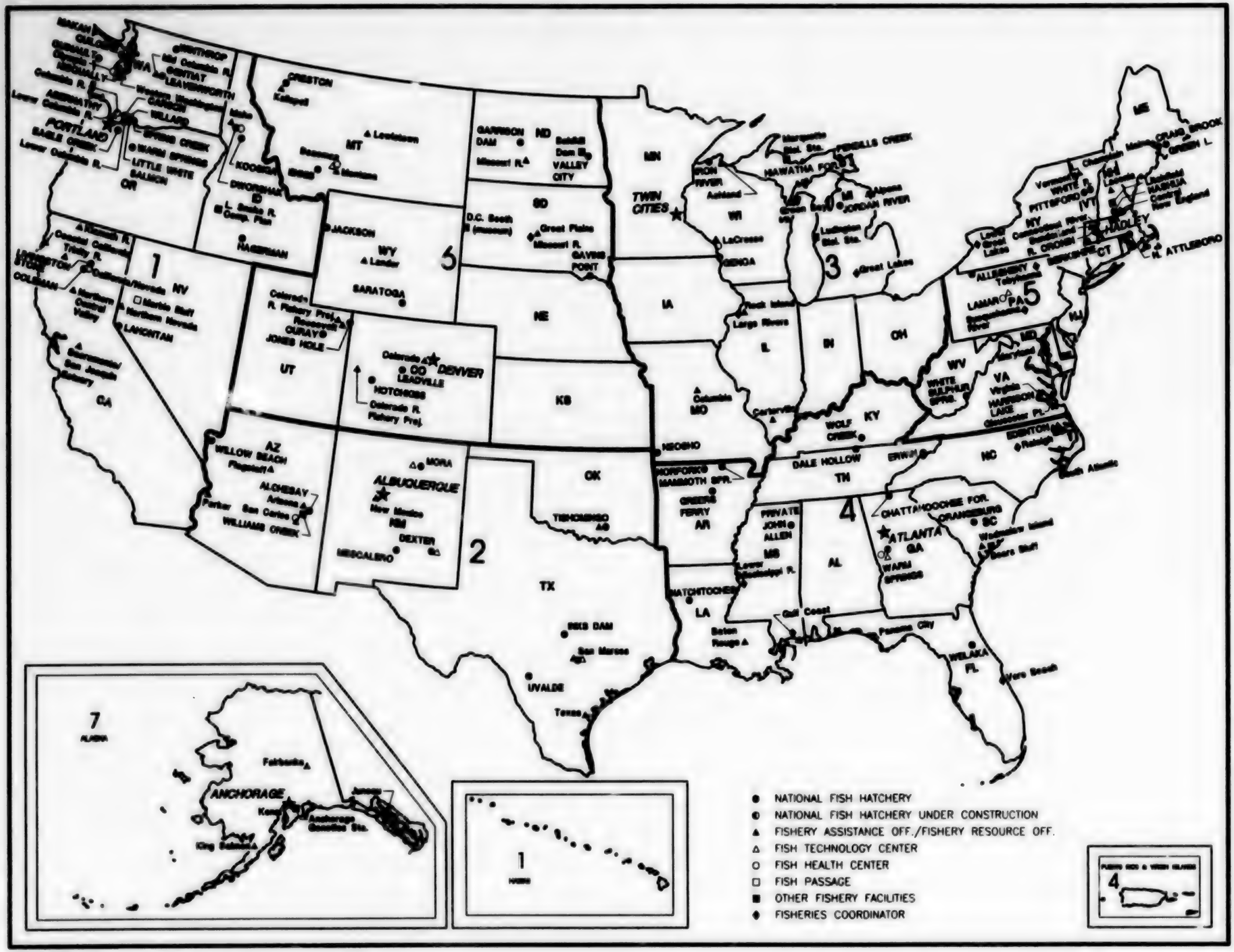


COMPILED IN THE DIVISION OF REALTY

DEPARTMENT OF THE INTERIOR

AND FISHERY STATIONS

UNITED STATES
FISH AND WILDLIFE SERVICE



COMPILED IN THE DIVISION OF REALTY

WASHINGTON, DC SEPTEMBER 30, 1998

★ *REGIONAL OFFICE* —— *REGIONAL BOUNDARY*

FY98 National Costal Wetlands Conservation Grants Administered by Ecological Services and Funded by the Coastal Wetlands Planning, Protection, and Restoration Act of 1990

Project Name	State	Federal Share	State Share	Other Partners	Total Cost	Total Acres
Gulf Oak Ridge Acquistion	AL	$ 1,000,000	$ 463,000	$ 227,000	[redacted]	588
Moro Coho Slough Acquisiton	CA	$ 500,000	$ 500,000	$ 700,000	[redacted]	360
Lower Army Creek Acquisition	DE	$ 273,000	$ 30,000	$ 217,000	[redacted]	304
Sarasota Bay Acquisiton and Restoration	FL	$ 650,000	$ 195,000	$ 150,000	[redacted]	69
Hendry and Mulluck Creek Acquisitions	FL	$ 1,000,000	$ 105,000	$ 760,000	[redacted]	1,651
Cow Slough Acquisition and Restoration	FL	$ 1,000,000	$ 2,625,000	$ 180,000	[redacted]	1,040
Joppa Flats Salt Marsh Restoration	MA	$ 90,000	$ 10,000	$ 199,000	[redacted]	4
Weskeag Estuary Acquisition	ME	$ 169,000	$ 33,000	$ 66,000	[redacted]	88
Reachwood Forest/Marsh River Acquisition	ME	$ 260,000	$ 10,000	$ 148,000	[redacted]	853
Mississippi Coastal Preserves Acquisition	MS	$ 539,000	$ 500,000	$ 40,000	[redacted]	2,500
Sloop-Maple Creek Acquisition	NJ	$ 345,000	$ 261,000	$ 85,000	[redacted]	268
Neawanna Acquisition and Restoration	OR	$ 170,000	$ 132,000	$ 39,000	[redacted]	115
Shamrock Island Restoration	TX	$ 655,000	$ 221,000	$ 28,000	[redacted]	172
Dameron Marsh Acquisition	VA	$ 827,000	$ 247,000	$ 283,000	[redacted]	375
Elkins Marsh Acquisition	VA	$ 591,000	$ 27,000	$ 300,000	[redacted]	4,000
Whatcom Creek and Restoration	WA	$ 500,000	$ -	$ 500,000	[redacted]	4
Hoko River Acquisition	WA	$ 489,000	$ 550,000	$ 152,000	[redacted]	115
Middle Nemah River Acquisition	WA	$ 350,000	$ 3,000	$ 380,000	[redacted]	180
Chiwaukee Prairie Acquisition	WI	$ 175,000	$ 55,000	$ 20,000	[redacted]	17
North Bay Acquisition	WI	$ 315,000	$ 45,000	$ 90,000	[redacted]	220
Number of projects: 20	**Total**	**$ 9,898,000**	**$ 6,012,000**	**$ 4,564,000**	[redacted]	**12,923**

FUNDED IN PART BY THE NORTH AMERICAN WETLAND CONSERVATION FUND

FISCAL YEAR 1998

PROJECT NAME	STATE	NAWCA REQUEST	TOTAL PARTNERS	TOTAL COST	TOTAL ACRES
BEAR LAKE NWR	ID	$ 467,897	$ 1,160,000	[redacted]	1,900
BIG BRANCH MARSH III	LA	$ 1,000,000	$ 2,050,000	[redacted]	2,822
BIG ISLAND WETLANDS RESTORATION	OH	$ 993,450	$ 3,931,070	[redacted]	2,766
CACTUS PLAYA PROTECTION & ENHANCEMENT	TX	$ 462,850	$ 2,765,844	[redacted]	1,436
CANAAN VALLEY NWR	WV	$ 500,000	$ 3,438,938	[redacted]	936
GRASS LAKE II	MN	$ 785,000	$ 3,486,311	[redacted]	1,288
IOWA GREAT LAKES III	IA,MN	$ 600,000	$ 947,250	[redacted]	950
LAKE CHAMPLAIN WETLANDS II	NY,VT	$ 800,000	$ 1,824,017	[redacted]	3,132
MERRYMEETING BAY II	ME	$ 700,000	$ 735,100	[redacted]	1,075
NORTH LANDING RIVER III	VA	$ 819,737	$ 1,126,600	[redacted]	1,720
NORTHERN COTEAU WETLAND ACQUISITION & ENHANCEMENT II	ND	$ 600,000	$ 796,571	[redacted]	21,527
PONTCHARTRAIN WETLANDS	LA	$ 1,000,000	$ 4,550,500	[redacted]	3,538
SAGINAW BAY WETLAND INITIATIVE	MI	$ 774,750	$ 2,420,750	[redacted]	2,580
SETTLES FORD CONSERVATION AREA	MO	$ 750,000	$ 2,770,000	[redacted]	1,209
SOUTHWEST INDIANA FOUR RIVERS II	IN	$ 625,000	$ 1,782,771	[redacted]	2,961
UNCOMPAHGRE RIVER WETLAND	CO	$ 400,000	$ 2,176,000	[redacted]	1,264
WETLAND DEVELOPMENT ON PVT LANDS SD III	SD	$ 984,000	$ 1,456,280	[redacted]	1,823
WETLANDS REST/ENH PVT LANDS TEXAS GULF II	TX	$ 387,175	$ 1,432,253	[redacted]	5,000
WISCONSIN NORTHWEST POTHOLE II	WI	$ 912,600	$ 2,804,800	[redacted]	5,605
AUSTIN'S WOODS/BRAZORIA NWR COMPLEX	TX	$ 361,350	$ 361,350	[redacted]	1,257
CALCAREOUS WETLANDS OF SOUTHWESTERN NEW ENGLAND	MA,CT	$ 1,000,000	$ 3,081,910	[redacted]	2,333
CONQUEST FARM ACQUISITION, REST. & ENH.	MD	$ 1,000,000	$ 2,091,300	[redacted]	561
CONSERVATION RESERVE PROGRAM WETLAND RESTORATION	ND	$ 330,000	$ 722,000	[redacted]	3,450
CROW CREEK WATERSHED	SD	$ 114,500	$ 154,600	[redacted]	200
DROVER ISLAND WETLAND	NE	$ 226,700	$ 802,310	[redacted]	594
GREAT BAY ESTUARY II	NH	$ 700,000	$ 836,750	[redacted]	678
HACKBERRY FLAT III	OK	$ 940,848	$ 2,425,538	[redacted]	4,472
JAMES RIVER LOWLANDS ACQUISITION	SD	$ 150,000	$ 300,000	[redacted]	1,541
KATY PRAIRIE INITIATIVE	TX	$ 744,000	$ 1,116,000	[redacted]	1,663
LOWER CONNECTICUT RIVER WETLAND RESTORATION	CT	$ 224,918	$ 442,289	[redacted]	300
MEREDOSIA WETLAND COMPLEX	IL	$ 524,556	$ 1,828,444	[redacted]	1,160
MOUSE RIVER WATERSHED II	ND	$ 202,000	$ 522,808	[redacted]	13,709
PRAIRIE WETLAND HERITAGE CONSERVATION INITIATIVE	MN	$ 785,500	$ 1,917,130	[redacted]	3,115
RED LAKE FARM II	MN	$ 177,000	$ 388,050	[redacted]	1,275
SOUTHERN LAKE MICHIGAN COASTAL WETLANDS II	IN	$ 1,000,000	$ 4,239,715	[redacted]	1,238
TETON RIVER BASIN WETLANDS	ID	$ 655,000	$ 1,533,100	[redacted]	1,050
TUALATIN RIVER VALLEY ECOSYSTEM	OR	$ 425,000	$ 900,000	[redacted]	530
UPPER VALLEY CONNECTICUT RIVER WETLAND	VT,NH	$ 300,000	$ 675,000	[redacted]	650
NUMBER OF PROJECTS: 38		$ 23,423,831	$ 65,993,349	[redacted]	103,308

CANADIAN WETLANDS CONSERVATION PROPOSALS
FUNDED IN PART BY THE NORTH AMERICAN WETLANDS CONSERVATION FUND
FISCAL YEAR 1998

TITLE	PROVINCE	NONFED - US MATCH	NAWCA REQUEST	TOTAL COST	TOTAL ACRES
ALBERTA HABITAT	ALBERTA	$ 2,280,750	$ 1,613,250	[redacted]	15,973
ONTARIO REGIONAL	ONTARIO	$ 669,750	$ 419,250	[redacted]	9,490
SASKATCHEWAN HABITAT PROGRAMS	SASKATCHEWAN	$ 1,701,000	$ 1,601,250	[redacted]	471,800
QUEBEC-ST.LAWRENCE	QUEBEC	$ 551,850	$ 222,600	[redacted]	1,681
NOVA SCOTIA COASTAL AND INLAND	NOVA SCOTIA	$ 134,250	$ 57,000	[redacted]	230
CONSERVATION OF WETLANDS & ASSOCIATED UPLANDS COASTAL BC	BC	$ 942,760	$ 314,260	[redacted]	50,655
MANITOBA PRAIRIE PARKLAND	MANITOBA	$ 641,250	$ 626,250	[redacted]	3,900
NEW BRUNSWICK WETLANDS CONSERVATION	NEW BRUNSWICK	$ 140,250	$ 81,000	[redacted]	4,816
SASKATCHEWAN PRAIRIE SHORES	SASKATCHEWAN	$ 24,000	$ 12,000	[redacted]	1,500
PRINCE EDWARD ISLAND WETLANDS IN AGRICULTURAL LANDSCAPE	PEI	$ 78,000	$ 44,250	[redacted]	408
WESTERN NEWFOUNDLAND & LABRADOR	NEWFOUNDLAND	$ 40,500	$ 24,000	[redacted]	500
MANITOBA POTHOLES PLUS	MANITOBA	$ 216,000	$ 180,000	[redacted]	6,280
ONTARIO GREAT LAKES - ST. LAWRENCE	ONTARIO	$ 138,750	$ 26.250	[redacted]	67
COASTAL & INLAND FRESHWATER WETLANDS	NEWFOUNDLAND	$ 27,750	$ 16,500	[redacted]	1,200
ALBERTA HABITAT	ALBERTA	$ 3,387,750	$ 3,950,250	[redacted]	27,917
COASTAL & INLAND FRESHWATER WETLANDS	NEWFOUNDLAND	$ 67,925	$ 113,209	[redacted]	3,300
CONSERVATION OF WETLANDS & ASSOCIATED UPLANDS	BC	$ 660,000	$ 1,260,000	[redacted]	2,000
MANITOBA PRAIRIE PARKLAND	MANITOBA	$ 1,694,250	$ 1,733,250	[redacted]	8,400
NEW BRUNSWICK WETLANDS CONSERVATION	NEW BRUNSWICK	$ 178,500	$ 299,250	[redacted]	9,762
NOVA SCOTIA COASTAL & INLAND	NOVA SCOTIA	$ 127,500	$ 215,250	[redacted]	404
ONTARIO REGIONAL	ONTARIO	$ 860,250	$ 1,134,750	[redacted]	223,000
PEI WETLANDS IN THE AGRICULTURAL LANDSCAPE	PEI	$ 93,750	$ 180,000	[redacted]	5,044
PRIVATE WETLAND STEWARDSHIP GREAT LAKES	ONTARIO	$ 75,000	$ 206,250	[redacted]	2,700
QUEBEC-ST. LAWRENCE	QUEBEC	$ 467,475	$ 901,725	[redacted]	3,202
SASKATCHEWAN HABITAT	SASKATCHEWAN	$ 3,258,000	$ 3,459,000	[redacted]	24,700
SASKATCHEWAN PRAIRIE SHORES	SASKATCHEWAN	$ 105,938	$ 363,450	[redacted]	10,320
NUMBER OF PROJECTS: 26	TOTALS:	$ 18,563,198	$ 19,054,244	[redacted]	889,249

FUNDED IN PART BY THE NORTH AMERICAN WETLANDS CONSERVATION FUND
FISCAL YEAR 1998

PROJECT TITLE	LOCATION	NAWCA REQUEST	TOTAL PARTNERS	TOTAL COST	TOTAL ACRES
BRIDGES & CULVERTS CONSTRUCTION IN COASTAL WETLANDS	YUCATAN	$ 247,182	$ -	[illegible]	38,500
ESTERO DE RIO BRAVO WETLAND RESTORATION & ENVIRONMENT EDUCATION	TAMAULIPAS	$ 49,640	$ 77,340	[illegible]	198
IDENTIFICATION OF PRIORTY WET.HABITATS OF MIG. BIRDS IN CALAKMUL BIO. RESERVE	CAMPECHE	$ 45,978	$ 47,208	[illegible]	-
LAND USE PLANNING AT BANO DE SAN IGNACIO WETLAND, LINARES	NUEVO LEON	$ 78,384	$ 162,650	[illegible]	10,600
RESTORATION OF COASTAL WETLANDS AT EL PALMAR STATE RESERVE PHASE II	YUCATAN	$ 99,827	$ 140,000	[illegible]	12,500
RESTORATION OF PETEN TUCHA & HYDROLOGIC STUDY OF RIA DE LAGARTOS & FLOODPLAIN	YUCATAN	$ 99,000	$ 101,077	[illegible]	832
WETLAND MANAGEMENT IN HARDY RIVER PHASE 2	SONORA	$ 245,588	$ 246,889	[illegible]	49,000
BASIC STUDY FOR ENVIRONMENTAL MANAGEMENT OF SAN QUINTIN BAY	BAJA, CA	$ 23,060	$ 24,632	[illegible]	75,000
BUILDING LOCAL CAPACITY FOR NATURE TOURISM & CONSERVATION DEVELOPMENT	BAJA, CA	$ 15,000	$ 35,891	[illegible]	-
COMMUNITY ACTION PLAN FOR LA MANCHA-EL LLANO-USE OF LOCAL WETLANDS	VERACRUZ	$ 117,297	$ 138,062	[illegible]	-
CONSERVATION & INTEGRATED WATERSHED MANAGEMENT IN LA ENCRUCIJADA BIOSPHERE RESERVE PHASE II	CHIAPAS	$ 92,351	$ 96,853	[illegible]	362,170
CONSERVATION & INTEGRATED WATERSHED MGMT IN LA SEPULTURA BIOSPHERE RESERVE	CHIAPAS	$ 86,720	$ 114,163	[illegible]	418,270
CONSERVATION OF MANIALTEPEC WATERSHED WETLANDS	OAXACA	$ 39,140	$ 55,750	[illegible]	2,000
ENVIRONMENTAL PLANNING FOR SUSTAINABLE DEVELOPMENT OF SANTIAGUILLO LAGOON DURANGO	DURANGO	$ 203,225	$ 262,992	[illegible]	625,000
ENVIRONMENTAL REST. & SUSTAINABLE USE OF NATURAL RESOURCES IN SILVA RESERVOIR AREA	GUANAJUATO	$ 161,763	$ 222,363	[illegible]	22,000
ESTABLISHMENT OF A CENTER FOR ENCOUNTERING WILDLIFE IN MULCAB MANGROVE FORESTS	CAMPECHE	$ 14,375	$ 20,000	[illegible]	-
INVENTORY & CLASSIFICATION OF CRITICAL WETLANDS IN MEXICO	CAMPECHE;YUCATAN;	$ 265,834	$ 297,417	[illegible]	600,000
MANAGEMENT PLAN OF SAN PEDRO RIVER	SONORA	$ 60,000	$ 63,460	[illegible]	458,250
PUBLIC PARTICIPATION & REST. WETLANDS IN CORE PROTECTED AREA OF UPPER GULF CO. RIVER DELTA PHASE II	SONORA; BAJA CA	$ 103,272	$ 116,340	[illegible]	24,711
THEMATIC CARTOGRAPHY FOR AREA ECOLOGICAL PROGRAM FOR COASTAL WETLANDS IN YUCATAN	YUCATAN	$ 37,437	$ 52,856	[illegible]	680,125
TRAINING NATURE GUIDES & ENVIR. EDUCATORS TO PROMOTE NATURE TOURISM	QUINTANA ROO	$ 46,312	$ 58,875	[illegible]	-
WETLAND INVENTORY & PROTECTION WITHIN BALAAN KA'AX RESERVE	QUINTANA ROO	$ 43,138	$ 43,490	[illegible]	225,000
COMMUNITY ENVIRONMENTAL ACTION PROJECT	TABASCO, QUINTANA ROO	$ 49,907	$ 52,750	[illegible]	2,053,038
WETLANDS MANAGEMENT ON MEXICO'S SONORA COAST PHASE FIVE-1	SONORA	$ 88,626	$ 90,000	[illegible]	64,938
EFFECTS OF DEVELOPMENT & DISTURBANCE ON PACIFIC BLACK BRANT	SINALOA; BAJA CA.	$ 292,400	$ 452,820	[illegible]	-
NUMBER OF PROJECTS: 25	TOTALS:	$ 2,605,456	$ 2,973,878	[illegible]	5,722,132

79

FINAL APPORTIONMENT OF FEDERAL AID IN WILDLIFE RESTORATION FUNDS FOR FISCAL YEAR 1998

	WILDLIFE RESTORATION	HUNTER EDUCATION	TOTAL
ALABAMA	$ 2,101,918	$ 649,571	[illegible]
ALASKA	$ 6,358,014	$ 276,481	[illegible]
ARIZONA	$ 3,023,218	$ 589,228	[illegible]
ARKANSAS	$ 2,347,373	$ 276,481	[illegible]
CALIFORNIA	$ 4,536,173	$ 829,443	[illegible]
COLORADO	$ 3,497,801	$ 529,612	[illegible]
CONNECTICUT	$ 635,801	$ 528,442	[illegible]
DELAWARE	$ 635,801	$ 276,481	[illegible]
FLORIDA	$ 1,827,066	$ 829,443	[illegible]
GEORGIA	$ 2,527,459	$ 829,443	[illegible]
HAWAII	$ 635,801	$ 276,481	[illegible]
IDAHO	$ 2,615,607	$ 276,481	[illegible]
ILLINOIS	$ 2,435,883	$ 829,443	[illegible]
INDIANA	$ 1,912,167	$ 829,443	[illegible]
IOWA	$ 2,197,061	$ 446,395	[illegible]
KANSAS	$ 2,347,855	$ 276,481	[illegible]
KENTUCKY	$ 1,928,544	$ 592,454	[illegible]
LOUISIANA	$ 1,949,070	$ 678,409	[illegible]
MAINE	$ 1,431,925	$ 276,481	[illegible]
MARYLAND	$ 770,840	$ 768,676	[illegible]
MASSACHUSETTS	$ 635,801	$ 829,443	[illegible]
MICHIGAN	$ 4,993,737	$ 829,443	[illegible]
MINNESOTA	$ 3,897,632	$ 703,347	[illegible]
MISSISSIPPI	$ 1,913,723	$ 413,674	[illegible]
MISSOURI	$ 3,215,092	$ 822,628	[illegible]
MONTANA	$ 4,113,379	$ 276,481	[illegible]
NEBRASKA	$ 2,321,570	$ 276,481	[illegible]
NEVADA	$ 2,452,035	$ 276,481	[illegible]
NEW HAMPSHIRE	$ 635,801	$ 276,481	[illegible]
NEW JERSEY	$ 635,801	$ 829,443	[illegible]
NEW MEXICO	$ 2,853,690	$ 276,481	[illegible]
NEW YORK	$ 3,841,533	$ 829,443	[illegible]
NORTH CAROLINA	$ 2,453,319	$ 829,443	[illegible]
NORTH DAKOTA	$ 1,850,195	$ 276,481	[illegible]
OHIO	$ 2,976,061	$ 829,443	[illegible]
OKLAHOMA	$ 2,481,372	$ 505,689	[illegible]
OREGON	$ 3,214,382	$ 456,936	[illegible]
PENNSYLVANIA	$ 5,341,253	$ 829,443	[illegible]
RHODE ISLAND	$ 635,801	$ 276,481	[illegible]
SOUTH CAROLINA	$ 1,483,557	$ 560,528	[illegible]
SOUTH DAKOTA	$ 2,406,689	$ 276,481	[illegible]
TENNESSEE	$ 3,167,318	$ 784,064	[illegible]
TEXAS	$ 6,358,014	$ 829,443	[illegible]
UTAH	$ 2,515,875	$ 276,481	[illegible]
VERMONT	$ 635,801	$ 276,481	[illegible]
VIRGINIA	$ 2,159,335	$ 829,443	[illegible]
WASHINGTON	$ 2,359,031	$ 782,377	[illegible]
WEST VIRGINIA	$ 1,595,850	$ 276,481	[illegible]
WISCONSIN	$ 4,340,213	$ 786,408	[illegible]
WYOMING	$ 2,477,500	$ 276,481	[illegible]
PUERTO RICO	$ 635,801	$ -	[illegible]
GUAM	$ 211,934	$ 46,080	[illegible]
VIRGIN ISLANDS	$ 211,934	$ 46,080	[illegible]
AMERICAN SAMOA	$ 211,934	$ 46,080	[illegible]
N. MARIANA ISLANDS	$ 211,934	$ 46,080	[illegible]
TOTAL	$ 127,160,274	$ 27,648,099	$ 154,[illegible]

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FINAL APPORTIONMENT OF FEDERAL AID IN SPORTFISH RESTORATION FUNDS FOR FISCAL YEAR 1998

	TOTAL
ALABAMA	[illegible]
ALASKA	[illegible]
ARIZONA	[illegible]
ARKANSAS	[illegible]
CALIFORNIA	[illegible]
COLORADO	[illegible]
CONNECTICUT	[illegible]
DELAWARE	[illegible]
FLORIDA	[illegible]
GEORGIA	[illegible]
HAWAII	[illegible]
IDAHO	[illegible]
ILLINOIS	[illegible]
INDIANA	[illegible]
IOWA	[illegible]
KANSAS	[illegible]
KENTUCKY	[illegible]
LOUISIANA	[illegible]
MAINE	$ 2,730,284
MARYLAND	[illegible]
MASSACHUSETTS	[illegible]
MICHIGAN	[illegible]
MINNESOTA	[illegible]
MISSISSIPPI	[illegible]
MISSOURI	[illegible]
MONTANA	$ 6,446,747
NEBRASKA	[illegible]
NEVADA	$ 4,236,075
NEW HAMPSHIRE	$ 2,730,284
NEW JERSEY	$ 2,730,284
NEW MEXICO	$ 5,075,058
NEW YORK	$ 8,811,704
NORTH CAROLINA	$ 4,982,907
NORTH DAKOTA	$ 2,730,284
OHIO	$ 6,460,270
OKLAHOMA	$ 5,204,222
OREGON	[illegible]
PENNSYLVANIA	[illegible]
RHODE ISLAND	$ 2,730,284
SOUTH CAROLINA	[illegible]
SOUTH DAKOTA	[illegible]
TENNESSEE	$ 5,748,287
TEXAS	$ 13,001,422
UTAH	$ 5,098,197
VERMONT	$ 2,730,284
VIRGINIA	$ 4,270,210
WASHINGTON	$ 6,071,881
WEST VIRGINIA	$ 2,730,284
WISCONSIN	$ 8,708,943
WYOMING	$ 4,443,521
PUERTO RICO	$ 2,730,284
GUAM	$ 906,762
VIRGIN ISLANDS	$ 906,762
AMERICAN SAMOA	$ 906,762
N. MARIANA ISLANDS	$ 906,762
DISTRICT OF COLUMBIA	$ 906,762
TOTAL	$ 272,928,441

If you have any comments or suggestions, please write to:

U.S. Fish and Wildlife Service
Division of Finance
4401 N. Fairfax Drive
Suite 380
Arlington, Virginia 22203

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